



ANNUAL REPORT



2018-19



PASSION
PRECISION
PERFORMANCE



ACROSS THE PAGES

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PASSION >

Great Passion, makes impossible happen!

PRECISION >

Precision is in our DNA,
Quality is our way of Work!

PERFORMANCE >

Passion and Precision are backed by
Exceptional Performance

Three words that define our Company

Read on to know more...

A TURNKEY SOLUTION PROVIDER IN DEFENCE AND SPACE ARENA

PARAS DEFENCE AND SPACE TECHNOLOGIES LTD. ('PDSTL' OR 'PARAS' OR 'THE COMPANY') HAS CARVED A NICHE FOR ITSELF THROUGH ITS 4-DECADE RICH EXPERIENCE AS A TURNKEY SOLUTIONS PROVIDER FOR DEFENCE AND SPACE ARENA. IT IS INVOLVED IN DESIGNING, MANUFACTURING, TESTING AND COMMISSIONING OF PRODUCTS, SYSTEM AND SOLUTIONS OF MULTI-DISCIPLINARY NICHE TECHNOLOGIES. THE COMPANY'S INDIGENOUSLY DESIGNED, DEVELOPED AND MANUFACTURED (IDDM) PRODUCTS OFFER WORLD CLASS QUALITY AND EXCEPTIONAL PERFORMANCE YET BEING COST COMPETITIVE.

Our legacy dates back to 1971, when the nation was majorly importing equipment and systems in Defence and Space sector. Built on a strong foundation, Paras spotted the opportunity and has been continuously supporting the segment with innovation and high precision products offering under varied categories. This includes Defence and Space Optics, Defence Electronics, Heavy Engineering, Electro Magnetic Pulse (EMP) Solution and Niche Technologies. Today, we have established a leading position in the Defence and Space Business on the back of our strong technological competence and ever-evolving expertise.

OUR FUNDAMENTALS

CREATE – IDEATE – INNOVATE

We are one of the oldest design houses and probably the best in the area of Defence Engineering. Most of our projects are 'Design and Development' Projects, focused at providing cutting-edge solutions to customer requirement with extensive in-house R&D efforts.

RIGHT QUALITY AT THE RIGHT TIME

The Company has highly efficient manufacturing setup, which includes state-of-the-art machinery, well trained and skilled work force, equipped quality team, robust supply-chain group, experienced system integration team and on-job trained commissioning engineers.

BEST RESOURCES IN THE RIGHT DIRECTION

The Company believes in employing the best resources, be it human, machinery, tools, infrastructure, space, among others in order to attain customer satisfaction, in turn imparting growth to the Company and improving the profitability of operations.

OUR COMPETITIVENESS

- Strong domain expertise in the Defence and Space Sector
- True 'IDDM' company as most of our projects are designed, developed and manufactured by us in India
- Capable to handle turnkey projects of small, medium and large sizes
- Resource scalability and fund generation capability to handle large projects
- State-of-the-art manufacturing capabilities
- Over 400 skilled and expert employees



100+

Active Programmes

STATE-OF-THE-ART

Manufacturing Facilities

₹ 154.39 CRORES

Revenue

₹ 45.67 CRORES

EBITDA*

₹ 19.03 CRORES

PAT**

All figures pertain to FY 2018-19

* Earning before interest, tax, depreciation and amortisation

** Profit after tax

EXTENDING RESEARCH AND DEVELOPMENT FORTE TO OUR PRODUCTS

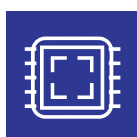
THE COMPANY PROVIDES HIGHLY ENGINEERED AND ADVANCED PRODUCTS THAT UNIQUELY MEET THE VARIOUS SPECIFICATIONS OF TODAY'S CUSTOMERS. WITH ITS DIVERSIFIED PRODUCT PORTFOLIO, THE COMPANY PROVIDES SOLUTIONS ACROSS THE DEFENCE AND SPACE SPECTRUM.



DEFENCE AND SPACE OPTICS

We started our ultra precision manufacturing setup in the year 2000. Today, we are the industry leaders for precision manufacturing and the only Company in India offering optics for EO/IR imaging systems for defence and space applications.

Products	Used In
IR Lenses	Night Vision Devices and Thermal Imaging Systems
Diffraction Gratings	Space Cameras
Multi-Fold Lenses	Space Cameras
Large Size Optics	High Resolution Space Cameras
Metal Reflectors and Mirrors	Telescopes, Space Cameras and Military Cameras
Ultra-High Precision Components	Strategic Programs
Optical Domes	Rocket and Missile Programs
Red Dot Reflex Sight	Close Combat, Point and Shoot Aiming Sight for Guns and Ammunition



DEFENCE ELECTRONICS

Our offerings include a combination of electronics and software, deployed by the Defence forces. Possibly the oldest Defence Electronics Company of India, we are involved in almost all of the prestigious defence programs of the country.

Products	Used In
Rugged Control Systems	Armoured Vehicle and Other Defence Platforms
Command and Control Consoles	Command and Control Stations, On-board Ships and Shelters
Rugged Displays and Computers	Almost all Defence Projects
Ruggedised Commercial Products	Defence Electronic Warfare and Communication Projects
Software Development	Land and Naval Applications



HEAVY ENGINEERING

The Company has been operating in this segment since its inception, providing high quality parts, assemblies and systems for all the critical defence programs.

Products	Used In
Flow Formed Motor Tubes	High Pressure Applications like Space, Rocket, Missile Programs
Cold Plates	Military Radar Programs
Titanium and Special Metal Mfg.	Naval Sonar, Aerospace and Space Applications
Racks and Cabinets	Command and Control Systems for Army, Navy and Strategic Applications
Large Dynamic Platforms	Industrial, Military, Naval and Space Applications
Special Purpose Machines	Used for Manufacturing Military Products and Components



ELECTRO MAGNETIC PULSE (EMP) PROTECTION SOLUTIONS

The Company believes that new age warfare and defence will be more technologically driven. Electro Magnetic Pulse (EMP) is potent threat with which Electronic Warfare Technologies can be neutralised within a fraction of second. We provide protection to such strategic control centres and systems from the EMP by offering turnkey solution, 100% built in India.

Products	Used In
EMP Power Line Filters	EMP Protected Data Centres, Platforms, Shelters, Racks/Cabinets and Chambers, among others
Electro Magnetic Shielded Doors and Honey Comb Filters	Critical Shielded Work Areas on-board Indian Naval Ships and other Strategic Applications
EMP Racks and Cabinets	EMP Protected Data Centres, Platforms, Shelters and Chambers
EMP Protected Rooms and Areas	Strategic Command and Control Rooms, Data Centres and Strategic Sites, among others



R&D / PARTNERSHIP PRODUCTS

We are the only Company in the Defence segment to have DSIR recognised R&D facility. The Company has been consistently investing in R&D and developing cutting edge technologies and solution for the Defence and Space sector. We have also partnered with global companies to offer world-class technologies to our Indian customers.

Products	Used In
Large Deployable Space Antennas	Earth Observation and Communication from Low Earth and Geo Orbits
CFRP Structures	Instrument Structures for Space
Complete Avionic Suites with Auto Pilot	Commercial and Military Passenger Aircrafts
Military Winches	Naval, Submarine, Aerospace and Land Lifting Applications
Drones and Anti-Drone Systems	Industrial, Defence, Aerospace and Strategic Applications
Artificial Intelligence	Data Mining and Analysis and Machine Learning, among others
Laser Seeker Electronics	Seeker Guided Missiles
Naval Electronic Fuze	Ammunition on-board Indian Naval Ships



CHAIRMAN'S MESSAGE



PARAS IS ONE OF THE MOST COVETED COMPANIES IN THE INDIAN DEFENCE AND SPACE SECTOR. WE HAVE ALWAYS FOCUSED ON INDIGENOUS DESIGN, DEVELOPMENT AND MANUFACTURING, WHICH TODAY FINDS AN EXCLUSIVE POSITIONING IN-LINE WITH GOVERNMENT'S 'MAKE IN INDIA' INITIATIVE.

Dear Shareholders,

It gives me immense pleasure to share with you important highlights of our company for the past year and insight into some of the future plans of Paras. Financial year 2018-19 will go down in the economic history of India as possibly the most decisive year towards unlocking the potential of the Country's future. Under the leadership of Honourable Prime Minister Shri Narendra Modi, the Government has laid down several reforms and measures towards ensuring consistent growth of the Indian economy. There has been a strong focus on technology-driven transformation towards building a new India. The Government has put a lot of thrust on National Security and Space Programs, unleashing huge business opportunities in the Defence and Space Industry.

Paras is one of the most coveted companies in the Indian Defence and Space Sector. We have always focused on indigenous design, development and manufacturing, which today finds an exclusive positioning in-line with Government's 'Make in India' initiative. Our persistent indigenisation efforts of developing cutting edge products as well as import substitutes are opening large and long-term opportunities for us. Through various collaborations and joint ventures, we bring world-class technologies to India with significant value addition by us. We are proud to have significantly contributed to the most strategic programs of our country in the areas of Defence and Space. With this we are successful in achieving sustainability of business growth while contributing to programs of National pride and security.

The Company believes in inclusive growth that aims at enhancing the competitiveness of the businesses while simultaneously advancing the economic and social conditions of the communities in which it operates. We believe in our team, which is why we invest into people offering them excellent work environment, where their capabilities can flourish. The company has possibly the lowest manpower attrition, which is in a way acknowledgment of our inclusive management approach and freedom of performance.

We are a proactive company where our decisions are not only swift, but in most cases path breaking. We have expanded our operational areas at Nerul (Navi Mumbai), Ambarnath (Thane) and Bangalore to accommodate all round growth in the business. With the new augmented operations, we are also able to attract newer and exclusive opportunities for the Company, which promise to pave way for a bright future.

We look forward to continual support from all our stakeholders and assure our best efforts to protect their interests.

Best Wishes,
Sharad Shah
Chairman



MANAGING DIRECTOR'S MESSAGE



THE COMPANY BELIEVES THAT THE BUSINESS GROWTH IS A RESULT OF TEAMWORK. WE KEEP STRENGTHENING OUR TEAM OF TECHNICAL EXPERTS WHO BECOME THE PILLARS OF THE COMPANY, WHERE THEY GUIDE AND NURTURE YOUNG TALENT.

Dear Stakeholders,

It has been a very satisfying financial year 2018-19, where we not only continued on our exceptional journey but also laid down foundations which will ensure our upcoming future is predictably good.

The Government of India's thrust on 'Make In India' is boosting the Domestic Defence Industry and we find ourselves at the helm of this growth story. India is the 4th largest military spender, globally with US, China and Saudi Arabia ahead of us and with an additional planned expenditure of US\$ 130 Billion, we have plenty of opportunities for a true IDDM company like us. Indian Space Industry is also going through a paradigm shift from being a closed non-value added to an open value added industry. ISRO is going leaps and bounds with their space research programs and have planned missions for the next 10 years, with over 10 missions to 25 missions per year. There is an obvious need for ISRO to look beyond their own facilities and develop a reliable industry which can make value added contribution to their missions.

We have been working with ISRO for over 10 years and are privileged to be their only Indian source for Space Optics, other than their own facilities. With phenomenal growth in business from ISRO, space business is scheduled to overtake the defence business in the coming years. Our exceptional relations with ISRO which are based on our quality and commitment, have instilled immense trust in ISRO, who wants us to further invest in other HIGH VALUE space technologies. Paras has since developed partners globally who are willing to collaborate and deliver world-class technologies to ISRO, which will be in-line with 'Make In India'. Paras has partnered with HPS, Germany for Large Space Antennas and Invent, Germany for Carbon Fibre Structures for Space. We are in the process of partnering for technologies like Star Trackers, Sun Sensors, ADCS's and Propulsion Systems, among others which are the building blocks of Satellites, with a mid-term vision of building Complete Satellites for our Space Organisation especially for Earth Observation.

Paras has grown its electronics capabilities by venturing into advanced electronics domain offering High Performance Embedded Computing, Intelligent Systems

and Software Development. This division, which is based out of Bangalore, is lead by industry experts with over three decades of experience in the same, for Defence Applications supported by a young and enthusiastic team.

We are proud to inform that we have been recognised by Department of Scientific and Industrial Research (DSIR, Government of India) as a R&D house, which motivates to further more invest into development and come out with innovative products and solutions.

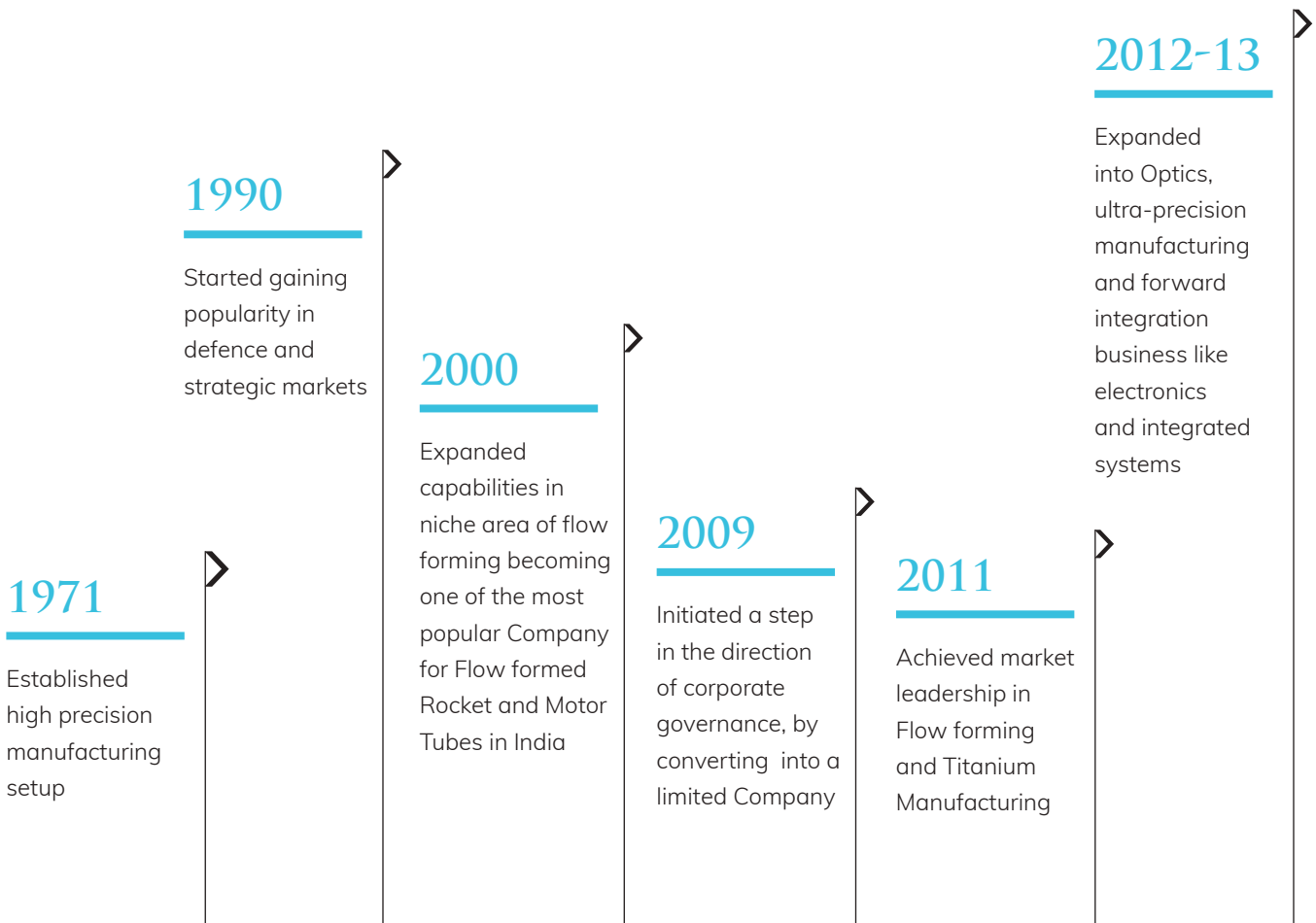
'Make In India' initiative of Government of India is compelling global technology companies to look for Indian partners if they have to stand a chance to get the business. Paras was quick to grab this opportunity and was successful in establishing solid, long term partnerships with one of the most renowned Global Companies like Holland Shielding (Netherlands) for Electro Magnetic Pulse Protection Solutions, Kley (France) for Military Winches, Genesys Aerosystems (USA) for complete Avionics Suite with Auto-Pilot, DIEHL Defence (Germany) for High Power Electro Magnetics based Anti-Drone, Anti-IED and CarStop Systems, to name a few. With these partnerships, Paras has established itself as a one-stop solution for our customer, not just for its own products but also as a gateway for world class technologies. We have also tied up with over 7 companies for value added distribution, which will boost our business.

We consider ourselves very fortunate that we could appoint Mr. Sunil Kumar Sharma (Former CMD of Bharat Electronics Limited) and Mr. Manmohan Handa (Former Director of Bharat Electronics Limited) as our Independent Directors.

Having laid the foundation for a solid dependable business, we are ready for the new opportunities and looking forward to becoming the most significant contributor to Indian Defence and Space Programs.

Regards,
Munjil Shah
Managing Director

EXPANDING STEADILY. GROWING RESPONSIBLY.



2015

Emerged as the largest and the only Defence Optics manufacturer in the country with sizable market share of all the night vision and thermal imaging projects in the country

2015-16

- > Commenced working for space imaging systems by manufacturing critical optics for imaging satellites
- > Became largest manufacturer of tank control systems in India

2016-17

- > Expanded capabilities and solution spectrum into developing electromagnetic pulse protection, thus emerging as the only Indian company to offer turnkey electromagnetic pulse protection solutions
- > Expanded business globally with markets like Europe and Israel, among others

2018

- > Forayed into manufacturing of large size space optics and secured one of the biggest orders from ISRO for space optics
- > Started forward integration into Defence Electronics with High Performance Embedded Computing and Software Development
- > Ventured into Drones Systems and Drone Services for various applications including Military, Power, Agricultural, Mining and Other applications

PERFORMANCE HIGHLIGHTS FY 2018-19



FINANCIAL CAPITAL

Financial capital represents the pool of funds available to our organisation, including debt and equity.

₹ 154.39 CRORES
Revenue

+ 3.44 %

₹ 45.67 CRORES
EBITDA

+ 2.74 %

₹ 19.03 CRORES

PAT

All the above figures are as on 31st March, 2019



MANUFACTURING CAPABILITIES

Manufacturing capabilities represent our production facilities, equipment and all the physical assets used for manufacturing defence and space products.

- > Flow-Forming
 - > CNC Machining
 - > Grinding and Polishing
 - > Diamond Turning
 - > High Performance Coatings (Including DLC)
 - > Cabling and Harnessing
 - > System Integration
 - > Electronics/Optics/Mech. Test Facilities
-



INTELLECTUAL CAPITAL

Intellectual capital comprises investments towards Research and Development (R&D), innovation, design, engineering as well as technical know-how, which forms the basis of our product development efforts. With passion for precision and technological leadership, we offer products that augments our competitiveness in the market.

₹ 10+ CRORES

Investments in R&D



SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital are reflections of our distinct philosophy and ethics.

The social capital represents our commitments to invest in the communities in which we operate to ensure upliftment and support. On the other side, relationship capital unveils our stable and sustainable relationships with partners, customers and all the stakeholders that are crucial for business continuity.

₹ 22.61 LAKHS

CSR Spends



HUMAN CAPITAL

Human capital, for us, is collective skills, experience and expertise of our people, which drives our value proposition.

350+

Employees

33%

Women Composition

80+

Engineers

130

Technical Staff

40

Commercial Staff

VALUE CREATION MODEL

Our operational framework has been integrated with the help of six capitals. It directs our efforts of relentlessly delivering value through sustained performance – in a holistic way.

INPUT CAPITALS ►

VALUE ENABLERS ►



INTELLECTUAL CAPITAL

- 80+ Engineers
- 2 Research centres



MANUFACTURING CAPITAL

2 Manufacturing facilities



HUMAN CAPITAL

350+ Employees



FINANCIAL CAPITAL

- ₹ 965 Lakhs Capex
- 0.5 Debt:Equity



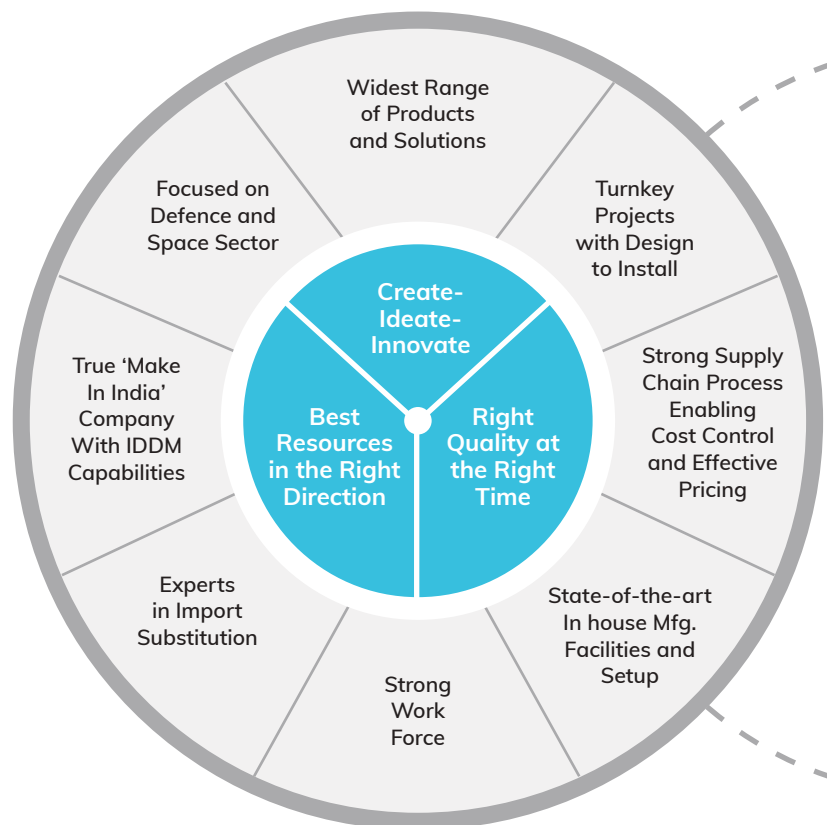
NATURAL CAPITAL

~ 64,500 Kwh Energy consumption

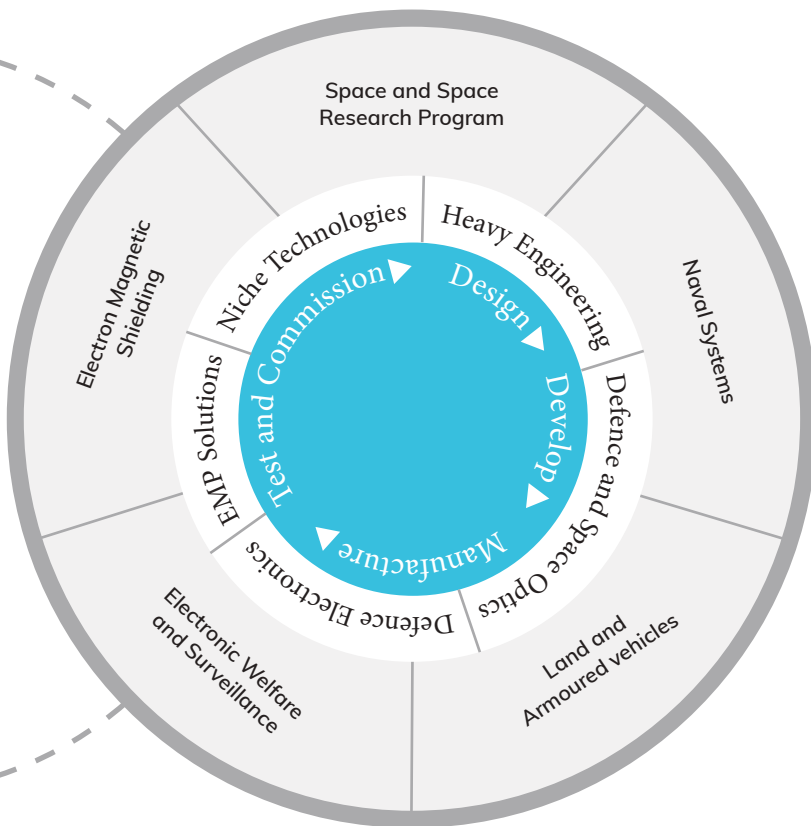


SOCIAL AND RELATIONSHIP CAPITAL

- Corporate Governance
- Young and dynamic Management team
- 15+ years of average relationship with vendors
- 30+ years of average relationship with customers



STAKEHOLDERS VALUE CREATION ▶



VENDORS

- > Better price
- > Long term business assurance
- > Timely payment

EMPLOYEES

- > Career opportunities
- > Safe and healthy workplace
- > Training programs

CUSTOMERS

- > Product quality
- > Value for money
- > Innovative products
- > Express Delivery

PARTNERS/JV/ ASSOCIATES

- > Access to 'Make In India' opportunities
- > Cost effective domestic manufacturing

GOVERNMENT

- > Timely payment of taxes
- > Research facilities
- > Reliable products
- > Self-reliance in defence technologies

COMMUNITY

- > Employment opportunities
- > Contribution to environment

WHAT MAKES PARAS ATTRACTIVE?

THE ONLY 'TRUE' 'MAKE IN INDIA' FOCUSED COMPANY

With complete capabilities of design to commissioning including state-of-the-art manufacturing facilities, today it is a 'True' 'Make in India' Company. The Company exclusively falls under IDDM category as per Defence Procurement Policy.

ENCOURAGING INDUSTRY DYNAMICS

Government's focus on developing the domestic defence industry and thrust on modernising the equipment, will lead to large business opportunities for the domestic players. Also, the outlay on defence budget has been escalating at a CAGR of 14% over the last few years. Space Industry looks to open up huge business opportunities for existing companies like ours.

ALL-IN-ONE SOLUTION PROVIDER FOR CUSTOMERS

The Company offers largest pool of products in the defence and space businesses through multiple business verticals. New investments will be used to offer more value-added products to its pipeline and cater to almost all the application needs of Defence and Space programs.

ENTHUSIASTIC AND VIBRANT MANAGEMENT TEAM

The Company has young and dynamic management team which has helped the Company enter new product segments like Defence optics and Intelligent Systems. In addition, the management team comprises of prominent industry veterans and experts from ISRO and BEL, amongst others which provide a good blend of Experience, Domain Expertise and Enthusiasm there-by instilling confidence and trust into our Customers and other stakeholders.

STRONG CUSTOMER PROFILE

The company works with all the significant organisations in the Defence and Space Industry, not just in India, but across the world. Paras is privileged to be one of the most preferred industry partners for most of its customers.

BETTER OPERATING METRICS

Paras reported EBITDA and PAT margins of 29% and 12%, respectively, in FY 2018-19 as against an industry average of 13% and 8%. The ROCE and ROE were also in track with the industry average of 20% and 13%, respectively.



DEVELOPING PARTNERSHIPS'

'Make In India' initiative of the Government of India is opening unprecedented opportunities for Indian Defence and Space Industry. While India moves towards being self-reliant in Defence and Space Technologies, the global technology companies have started taking Make In India as a part of their business strategy for Indian business. Paras is proactive in making and nurturing partnerships with one of the best companies in the world having Niche technologies for Defence and Space applications. All these partnerships are built on the foundation stone of 'Make In India', where Paras will manufacture these in India with maximum indigenous content. In turn Paras provides (to it's partners) access to high potent Indian market, which is slowly diminishing for direct import of goods and technologies.





AUGMENTING GROWTH ENGINE

We expanded in Optics in 2000 and today, Paras is one of the leading players in the domestic market. It designs and manufactures high-end, optical components, sub-systems for space programs as well as defence applications.

With our broad-reaching optical expertise, coating and manufacturing capabilities, we are one-stop source for optics for Defence and Space applications. The combination of our highly trained workforce and experience on diverse projects gives us the flexibility to alter delivery timelines according to any customers need.

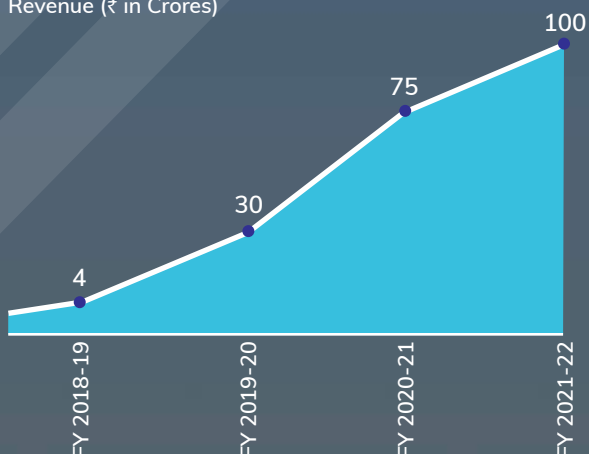
The Space market takes a prominent place in PDSTL's activity. Our optics are mounted on some of the most renowned satellites i.e. Mars Orbital Mission (MOM), Chandrayan 2, Latest PSLV Launches, ISRO – Hyper Spectral Imaging System Development, MACE Telescope and Thirty Meter Telescope (TMT). Our Investment in R&D and new technologies keep us in the fore front and helps to offer cost-effective solutions.

₹ 5 CRORES

Revenue from ISRO

GUARANTEED BUSINESS EXPLOSION IN SPACE SECTOR

Revenue (₹ in Crores)





BOARD OF DIRECTORS



MR. SHARAD SHAH, *Chairman and Non-Executive Director*

Mr. Sharad Shah 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 indigenisation and creating import substitution encouraged him to start a company which would become a one-stop solution for all critical components and assemblies in India. His passion for reading and constant craving for engineering excellence, made him an expert in precision engineering and manufacturing. Discipline and Innovation has been the key mantra for his successful path breaking journey.



MR. MUNJAL SHAH, *Managing Director*

Mr. Munjal Shah, aged 42 years, is one of the Promoters of the Company. At the time of incorporation he held the position of the Executive Director and was later re-designated as Managing Director of the Company, on September 2018. After studying, he joined his family business in India, which then was a small-scale industry specialising in providing import substitution of critical engineering components. With his exceptional capability and continual efforts, he propelled the Company from a small-scale engineering company into a multi-faceted organisation offering diverse solutions in areas of flow forming, special purpose machines and equipment, turnkey mechanical units, titanium structures, among others primarily for Defence applications. By ensuring fast turnaround and customer-friendly approach, he has been able to gain immense customer trust and popularity for the organisation.

With his vision to excel and diversify into new ventures, he expanded the business into Synergic Fields such as Optics Manufacturing and Defence Electronics, Defence and Space Optics.



MRS. SHILPA MAHAJAN, *Whole Time Director*

Mrs. Shilpa Mahajan was appointed as on the Board pursuant to amalgamation of Concept Shapers and Electronics Pvt. Ltd. with the Company and was later re-designated as Whole Time Director. Her knowledge and passion lie in designing products and is well acquainted with design software's. She has an all-round experience over the last 19 years in the organisation, which helps her successfully handle the complete operations of the company right from design to delivery.



MR. SUNIL KUMAR SHARMA, *Independent Director*

Mr. Sunil Kumar Sharma is a gold medallist from University College of Engineering, Bangalore and MBA. During his long professional tenure of about 4 decades, he was deeply involved in development and execution of large defence projects in cutting edge technology areas such as Air Defence Radars, Electro-Optics, Avionics, Networked Centric Systems, Missile Systems, Electronic Warfare, Naval Sonars and Communication. He has also steered complex IT-based national E-Governance projects such as Electronic Voting Machine, Biometrics for National Population Register and Smart Cards. As part of capacity building and modernisation, he envisioned and initiated establishment of several new R&D and manufacturing facilities including world-class Defence System Integration Complex, modern Night Vision Devices factory, Product Design and Innovation Centre and new line for Microwave Super-components and TR Modules which are critical components for modern AESA Radars. By virtue of having successfully led technology driven large organisations, his competency areas are defence and aerospace technologies, Corporate Governance, Management, Business Strategy, Operations and IT systems. He has received prestigious individual and company awards including SCOPE Awards for Corporate Governance, HR Excellence, R&D and Innovation. He was member of official delegations to several countries including South Korea, France, Germany, UK and Russia for defence cooperation and export promotion.



MR. MANMOHAN HANDA, *Independent Director*

Mr. Manmohan Handa is a B.E. from National Institute of Technology, Kurukshetra and also holds an PG Diploma from Indian Institute of Material Management. In a career spanning 37 years, he has held numerous senior positions in different units of Bharat Electronics Limited including Head Antenna and Systems of Bharat Electronics Limited for Ghaziabad Unit, General Manager of Bharat Electronics Limited for Navi Mumbai Unit, General Manager of Bharat Electronics Limited for Bangalore, Director of Bharat Electronics Limited for Bangalore Complex.

LEADERSHIP TEAM

CORE MANAGEMENT TEAM



MR. AMIT MAHAJAN
Director
Business Development



MR. HARSH BHANSALI
Director
Finance



MR. ANISH MEHTA
Director
Business Development

SENIOR MANAGEMENT TEAM



MR. KRISHNA MURTHY
Sr. Vice President
Head of Space Optic



MR. R. RAJAGOPAL
Sr. Vice President
Head of Electronics Business
Development



MR. GS RAVICHANDAR
Sr. Vice President
Head of Naval Business
Development



MR. N. SARAVANAN
Sr. Vice President
Head of Electronics Development



MR. K. NATARAJAN
Sr. Vice President
Head of Software Development



MR. BHARAT YELKUR
Vice President
Head of Optics India
Business Development



DR. K. PADMANABHAM
Consultant - Missile Systems



MR. ANKUSH BODHE
Consultant - Automation

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sharad Virji Shah

Chairman and Non-Executive Director

Munjal Sharad Shah

Managing Director

Shilpa Amit Mahajan

Whole Time Director

Ami Munjal Shah

Executive Director (Resigned w.e.f. 25th September, 2018)

Amit Navin Mahajan

Executive Director (Resigned w.e.f. 28th September, 2018)

Sunil Kumar Sharma

Non-Executive Independent Director (Appointed w.e.f. 08th January, 2019)

Manmohan Handa

Non-Executive Independent Director (Appointed w.e.f. 08th January, 2019)

STATUTORY AUDITOR

M/s Chaturvedi & Shah LLP

COST AUDITOR

M/s. Dinesh Jain & Company

CHIEF FINANCIAL OFFICER

Prasantamadhab Barua (Resigned w.e.f. 03rd November, 2018)

COMPANY SECRETARY

Ajit K. Sharma (Appointed w.e.f. 05th April, 2019)

Mansi Sharma (Resigned w.e.f. 01st March, 2019)

BANKERS

Kotak Mahindra Bank Ltd.

NKGSB Co-operative Bank Ltd.

REGISTERED OFFICE / UNIT - I

D-112, TTC Industrial Area, MIDC,

Nerul, Navi Mumbai - 400 706

Tel. No. +91-22-2672 9999

Fax No. +91-22-27629990

E-mail: business@parasdefence.com

Website: www.parasdefence.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd.

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

Vikhroli West, Mumbai - 400 083

Tel. No. +91-22-4918 6000

Fax No. +91-22- 49186060

E-mail: demat@linkintime.co.in

COMMITTEES OF BOARD

Corporate Social Responsibility Committee

Munjal Shah Chairman

Shilpa Mahajan Member

Manmohan Handa Member

Audit Committee

Manmohan Handa Chairman

Sunil Kumar Sharma Member

Munjal Shah Member

Nomination and Remuneration Committee

Manmohan Handa Chairman

Sunil Kumar Sharma Member

Sharad Shah Member

Sexual Harassment Committee

Shilpa Mahajan Presiding Officer

Ami Shah Member

Munjal Shah Member

Urvashi Dhall Member

Stakeholder Relationship Committee

Sharad Shah Chairman

Munjal Shah Member

Manmohan Handa Member

UNIT - II

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

Tel. No. +91-251-2620333/555

Fax No. +91-251-2621 222

TECHNOLOGY DEVELOPMENT CENTRE

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

Bengaluru - 560003

NOTICE OF 10TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 10TH ANNUAL GENERAL MEETING OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED WILL BE HELD ON MONDAY, 30TH DAY OF SEPTEMBER, 2019 AT 3.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT D-112, TTC INDUSTRIAL AREA, MIDC, NERUL, NAVI MUMBAI - 400706, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial Statements and Consolidated Financial Statements of the Company for the year ended as on 31st March, 2019 and Report of Board of Director's and Auditor's thereon;
2. To re-appoint a Director in place of Mr. Sharad Virji Shah (Din: 00622001) who retires by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS:

3. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION AS PER COMPANIES ACT, 2013:

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

"RESOLVED THAT pursuant to the provisions of Section 5, 14 and all other applicable provisions of the Companies Act, 2013 ("Act") and read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Table F of Schedule I of the Act, consent of the members of the Company be and is hereby accorded to replace and substitute the existing Articles of Association of the Company with the Articles of Association as submitted before this meeting, and the substituted Articles be adopted as the altered Articles of Association of the Company.

RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things and to file necessary e-forms, take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution"

4. INVESTMENT(S), LOANS, GUARANTEES AND SECURITY IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 186 OF COMPANIES ACT, 2013:

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

"RESOLVED THAT pursuant to Section 186 of the Companies Act, 2013 and the rules made thereunder and other applicable provisions, if any, (including any

statutory modifications and re-enactment thereof), the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of any body corporate or for giving loans, guarantees or providing securities to any body corporate or other person / entity whether in India or outside India, as may be considered appropriate for an amount not exceeding ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores only).

RESOLVED FURTHER THAT any of the Directors be and are hereby severally authorised to exercise the above mentioned powers including but not limited to investment in subsidiaries in one or more tranches and to sign, verify documents and to do all acts, deeds and things in this connection and incidental thereto as may be necessary to give effect to the above resolution."

5. INCREASING THE BORROWING LIMITS UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013:

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

RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions if any, of the Companies Act, 2013, and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard consent of the of members of the Company, be and is hereby accorded to the Board of Directors and/or any Committee of Directors thereof, for borrowing any sum or sums of moneys for and on behalf of the Company from time to time, from any persons, firms, bodies corporate, bankers, financial institutions or from others by way of advances, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of Company's assets and properties, whether movable or immovable or debts subject to any restriction imposed by the Agreements as may have been entered into or may be entered into from time to time for grant of any assistance to the Company, of all moneys deemed by them to be requisite or proper for the purpose of carrying on the business of the Company, notwithstanding that the moneys to be borrowed together with the money already borrowed by the Company (apart from temporary loans, if any, obtained from the Company's bankers in the

NOTICE OF 10TH ANNUAL GENERAL MEETING (CONTD.)

ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves provided that the total amount of such borrowings outstanding at any time shall not exceed ₹ 2,50,00,00,000/- (Rupees Two Hundred and Fifty Crores Only).

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby severally authorised to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

6. RATIFICATION OF REMUNERATION PAYABLE TO M/S. DINESH JAIN & CO., COST ACCOUNTANTS:

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 and any 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(s) thereof), the remuneration payable to M/s. Dinesh Jain & Co., Cost Accountants having Firm Registration Number(FRN)100583, appointed by the Board of Directors in their Board Meeting held on 07th September, 2019 as Cost Auditors of the Company to conduct the cost audit for the financial year 2019-20, amounting to Rs 90,000 (Rupees Ninety Thousand Only) per annum plus applicable Goods and Service Tax and out of pocket expenses that may be incurred be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. REVISION IN TERMS OF APPOINTMENT OF MR. MUNJAL SHARAD SHAH, MANAGING DIRECTOR:

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

RESOLVED THAT in partial modification to the resolution passed by the members in their meeting held on 15th March, 2019 and pursuant to the provisions of Section 185, 196, 197 & 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors, consent of the

members of the Company be and is hereby accorded for revision in terms of appointment of Mr. Munjal Sharad Shah, Managing Director, (DIN: 01080863) w.e.f 30th September, 2019 till his remaining tenure in the office on following terms and conditions as may be mutually agreed.

RESOLVED FURTHER THAT the consent of the Members be and is hereby accorded to approve Scheme of Loan for Mr. Munjal Sharad Shah, Managing Director as a part of revision in his terms of appointment.

RESOLVED FURTHER THAT except for the revision in the salary all other terms and condition as earlier approved by the members earlier and which are not dealt in this resolution shall remain unaltered.

RESOLVED FURTHER THAT Mr. Sharad Virji Shah, Chairman and Director (DIN: 00622001) and Mrs. Shilpa Amit Mahajan, Whole Time Director (DIN: 01087912) be and are hereby severally / jointly authorised to sign, execute and issue revised appointment letter to Mr. Munjal Sharad Shah.

RESOLVED FURTHER THAT Mr. Sharad Virji Shah, Chairman and Director (DIN: 00622001) and Mrs. Shilpa Amit Mahajan, Whole Time Director (DIN: 01087912) be and are hereby severally / jointly authorised to sign, execute and enter in to such Loan agreement with Mr. Munjal Shah on behalf of the Company on such terms and conditions as may be mutually decided.

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

8. REVISION IN TERMS OF APPOINTMENT OF MRS. SHILPA AMIT MAHAJAN, WHOLE TIME DIRECTOR:

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

RESOLVED THAT in partial modification to the resolution passed by the members in their meeting held on 28th September, 2018 and pursuant to the provisions of Section 196, 197 & 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors, consent of the members of the Company be and is hereby accorded

NOTICE OF 10TH ANNUAL GENERAL MEETING (CONTD.)

for revision in terms of appointment of Mrs. Shilpa Amit Mahajan, Whole Time Director, (DIN: 01087912) w.e.f. 30th September, 2019 till her remaining tenure in the office on following terms and conditions as may be mutually agreed.

RESOLVED FURTHER THAT except for the revision in the salary all other terms and condition as earlier approved by the members earlier and which are not dealt in this resolution shall remain unaltered.

RESOLVED FURTHER THAT Mr. Sharad Virji Shah, Chairman and Director (DIN: 00622001) and Mr. Munjal Sharad Shah, Managing Director (DIN: 01080863) be and are hereby severally / jointly authorised sign, execute and issue revised appointment letter to Mrs. Shilpa Amit Mahajan.

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

9. REVISION IN SALARY PAYABLE TO MRS. AMI MUNJAL SHAH, DIRECTORS RELATIVE HOLDING PLACE OF PROFIT:

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

RESOLVED THAT pursuant to the provisions of Sections 188 of the Companies Act, 2013 ("the Act") read with Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable statutory provisions, rules, regulations and guidelines (including any statutory modification(s), amendments, or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to revise the salary payable to Mrs. Ami Munjal Shah, Directors Relative holding place of profit, upto ₹ 5,00,000/- (Rupees Five Lakhs Only) per month; including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc.

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

10. REVISION IN SALARY PAYABLE TO MR. HARSH BHANSALI, DIRECTOR'S RELATIVE HOLDING PLACE OF PROFIT IN THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Sections 188 of the Companies Act, 2013 ("the Act") read with Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable statutory provisions, rules, regulations and guidelines (including any statutory modification(s), amendments, or re-enactment thereof for the time being in force), as per the recommendation of Nomination and Remuneration Committee and Audit Committee in their meeting held on 07th September, 2019 and as approved by the Board of Directors in their meeting held on 07th September, 2019, approval of the members of the Company be and is hereby accorded to increase the salary of Mr. Harsh Bhansali, Director - Finance, (Relative of Mr. Sharad Virji Shah, Chairman and Director of the Company) holding place of profit in the Company from a pay scale of ₹ 1,00,000/- (Rupees One Lakhs Only) upto ₹ 3,00,000/- (Rupees Three Lakhs only) per month including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee / Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mr. Harsh Bhansali holding office or place of profit, within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorised to sign such forms/returns as may be required to be submitted to the Registrar of Companies, Mumbai, 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."

11. REVISION IN SALARY PAYABLE TO MRS. KAAJAL BHANSALI, DIRECTOR'S RELATIVE HOLDING PLACE OF PROFIT IN THE COMPANY:

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

NOTICE OF 10TH ANNUAL GENERAL MEETING (CONTD.)

“RESOLVED THAT pursuant to the provisions of Sections 188 of the Companies Act, 2013 (“the Act”) read with Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable statutory provisions, rules, regulations and guidelines (including any statutory modification(s), amendments, or re-enactment thereof for the time being in force), as per the recommendation of Nomination and Remuneration Committee and Audit Committee in their meeting held on 07th September, 2019 and as approved by the Board of Directors in their meeting held on 07th September, 2019, approval of the members of the Company be and is hereby accorded to increase the salary of Mrs. Kaajal Bhansali (Relative of Mr. Sharad Virji Shah, Chairman and Director of the Company) holding place of profit in the Company from a pay scale of ₹ 1,00,000/-(Rupees One Lakhs Only) upto ₹ 3,00,000/-(Rupees Three Lakhs only) per month including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mrs. Kaajal Bhansali holding office or place of profit, within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorised to sign such forms/returns as may be required to be submitted to the Registrar of Companies, Mumbai, 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.”

12. REVISION IN SALARY PAYABLE TO MR. AMIT MAHAJAN, DIRECTOR'S RELATIVE HOLDING PLACE OF PROFIT IN THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections 188 of the Companies Act, 2013 (“the Act”) read with Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable statutory provisions, rules, regulations and guidelines (including any statutory modification(s), amendments, or re-enactment thereof for the time being in force), as per the recommendation of Nomination and Remuneration Committee and Audit Committee in their meeting held on 07th September, 2019 and as approved by the Board of Directors in their meeting held on 07th September, 2019, approval of the members of the Company be and is hereby accorded to increase the salary of Mr. Amit Mahajan, Director – Business Development (Relative of Mrs. Shilpa Amit Mahajan, Whole Time Director of the Company) holding place of profit in the Company from a pay scale of ₹ 1,00,000/-(Rupees One Lakhs Only) upto ₹ 3,00,000/-(Rupees Three Lakhs only) per month; including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mr. Amit Mahajan holding office or place of profit, within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorised to sign such forms/returns as may be required to be submitted to the Registrar of Companies, Mumbai, 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 ORDER OF THE BOARD OF DIRECTORS OF
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

Sd/-
SHARAD VIRJI SHAH
Chairman and Director
DIN: 00622001

Date: 07th September, 2019
Place: Navi Mumbai

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company.
2. Proxies to be effective must be received by the Company not less than 48 hours before the meeting. A proxy form in Form MGT-11 for the 10th AGM is enclosed.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
4. Members, proxies, authorised representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting
5. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special businesses to be transacted at the ensuing Annual General Meeting is annexed hereto.
6. All documents referred in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of Annual General Meeting.
7. Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent of the Company. Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID number, to their respective Depository Participants.
8. Members may avail dematerialisation facility by opening Demat Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialised
9. The route map indicating the direction to reach the venue of the Annual General Meeting is annexed.

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

ITEM NO 3:

ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION AS PER COMPANIES ACT, 2013:

The members are hereby informed that upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the Companies Act, 2013.

The Board of Directors in its meeting held on 07th September, 2019 decided (subject to the approval of members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.

The draft of the new set of Articles of Association proposed for approval is available for inspection by the shareholders of the Company during normal business hours at the Registered office of the Company and also at the place of the meeting on the meeting day.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

Your Directors commend passing of this resolution by way of a Special Resolution.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the resolution set out at Item No. 3 of the Notice.

ITEM NO.4:

INVESTMENT(S), LOANS, GUARANTEES AND SECURITY IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 186 OF COMPANIES ACT, 2013:

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiaries) from time to time, in compliance with the applicable provisions of the Act.

The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

In order to make investment in, giving loans and guarantees to and providing securities in connection with loans in excess of limits specified under section 186 of Companies Act, 2013, the Company requires approval from the shareholders in a general meeting.

In view of the above, the Company may require to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits.

NOTES: (CONTD.)

Your Directors commend passing of this resolution by way of Special Resolution.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the resolution set out at Item No. 4 of the Notice

ITEM NO.5:**INCREASING THE BORROWING LIMITS UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013:**

The existing borrowing limit of the Company was approved by the members at the General Meeting held on 15th May, 2019, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013. The current borrowing limit as approved by the shareholders is ₹ 200 crores.

Considering the future business plans and the increasing funds requirements of the Company, it is proposed to increase the existing borrowing limit of the Company from ₹ 200 crores to ₹ 250 crores in accordance with Section 180(1)(c) of the Companies Act, 2013.

The approval of the members is sought pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules made thereunder.

Your Directors commend passing of this resolution by way of Special Resolution.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the resolution set out at Item No. 5 of the Notice.

ITEM NO.6:**RATIFICATION OF REMUNERATION PAYABLE TO M/S. DINESH JAIN & CO., COST ACCOUNTANTS:**

The Board of Directors on the recommendation of Audit Committee at its Meeting held on 07th September, 2019, approved the appointment of M/s Dinesh Jain & Co., Cost Accountants having Firm Registration Number (FRN) 100583 as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending 31st March, 2020, at a remuneration of ₹ 90,000/- (Rupees Ninety Thousand Only)(plus applicable Goods and Service Tax and reimbursement of out of pocket expenses).

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 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 31st March, 2020.

Your Directors commend passing of this resolution by way of Ordinary Resolution.

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. 6 of the Notice.

ITEM NO.7:**REVISION IN TERMS OF APPOINTMENT OF MR. MUNJAL SHARAD SHAH, MANAGING DIRECTOR:**

Mr. Munjal Sharad Shah (DIN: 01080863) was appointed as the Managing Director by the Board of Directors at its meeting held on 21st February, 2019 for a period of five year i.e from 15th March, 2019 to 14th March, 2024. The same was subsequently approved by the shareholders in their Extra Ordinary General Meeting held on 15th March, 2019.

Further, considering the contribution of Mr. Munjal Sharad Shah, Managing Director and growth of the Company during his leadership and guidance, the Nomination and Remuneration Committee in its meeting held on 07th September, 2019 has recommended to revise his terms of appointment which was approved by the Board of Directors in their meeting held on 07th September, 2019 on the following terms and condition as may be mutually agreed:

i. Basic Salary:

The basic salary shall be ₹ 5,00,000/- (Rupees Five Lakhs Only) per month excluding perquisites and allowances with such increments as may be recommended by Nomination and Remuneration Committee and approved by Board subject to a ceiling of ₹ 7,00,000/- (Rupees Seven Lakhs Only) per month.

ii. Performance Linked Variable Remuneration (PLVR):

Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be recommended by Nomination and Remuneration Committee and as may be decided by the Board of Directors of the Company based on Economic Value Added in the business and other relevant factors and having regard to his performance for each year.

iii. Flexible Compensation:

In addition to the Fixed Compensation and PLVR, Mr. Munjal Sharad Shah will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances"). These perquisites and allowances may be granted to Mr. Munjal Sharad Shah in the manner as the Board of Directors of the Company may decide as per the Rules of the Company:

NOTES: (CONTD.)

- Housing (i.e. unfurnished residential accommodation OR House Rent Allowance);
- Furnishing at residence;
- Supplementary Allowance;
- Leave Travel Assistance;
- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of Food Vouchers and Petrol;
- Company cars with driver for official use, provision of telephone(s) at residence;
- Payment/reimbursement of telephone expenses;
- Housing Loan, Contingency Loan as per rules and policy of the Company;
- Earned/privilege leave, Casual/Sick leave as per Company policy prevailing from time to time;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

iv. Granting of Loan(s):

Pursuant to policy of the Company and subject to the relevant provisions of the Companies Act, 2013, Mr. Munjal Shah shall be entitled to receive Loans from the Company. The sanction of the Loan shall be at the discretion of the management.

Details required pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided in the "Annexure" to the Notice.

Your Directors commend passing of this resolution by way of an special resolution.

Except for Mr. Munjal Sharad Shah himself, Mr. Sharad Virji Shah, Mrs. Ami Munjal Shah and Mrs. Niranjana Sharad Shah being relative of Mr. Munjal Sharad Shah none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested in this resolution set out at Item no.7

ITEM NO.8:

REVISION IN TERMS OF APPOINTMENT OF MRS. SHILPA AMIT MAHAJAN, WHOLE TIME DIRECTOR:

Mrs. Shilpa Amit Mahajan (DIN: 01087912) was appointed as the Whole Time Director by the Board of Directors at its meeting held on 25th September, 2018 for a period of five year i.e from 28th September, 2018 to 27th September, 2023. The same was subsequently approved by the shareholders in 09th Annual General Meeting held on 28th September, 2018.

Further, considering the efforts and hardwork of Mrs. Shilpa Amit Mahajan in her continuing tenure as Whole Time

Director, the Nomination and Remuneration Committee in its meeting held on 07th September, 2019 has recommended to revise her terms of appointment which was approved by the Board of Directors in their meeting held on 07th September, 2019 on the following terms and condition:

i. Basic Salary:

The basic salary shall be ₹ 1,00,000/-(Rupees One Lakhs Only) excluding perquisites and allowances with such increments as may be recommended by Nomination and Remuneration Committee and approved by Board subject to a ceiling of ₹ 3,00,000/-(Rupees Three Lakhs Only) per month.

ii. Performance Linked Variable Remuneration (PLVR):

Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be recommended by Nomination and Remuneration Committee and as may be decided by the Board of Directors of the Company based on Economic Value Added in the business and other relevant factors and having regard to her performance for each year.

iii. Flexible Compensation:

In addition to the Fixed Compensation and PLVR, Mrs. Shilpa Amit Mahajan will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances"). These perquisites and allowances may be granted to Mrs. Shilpa Amit Mahajan in the manner as the Board of Directors of the Company may decide as per the Rules of the Company:

- Housing (i.e. unfurnished residential accommodation OR House Rent Allowance);
- Furnishing at residence;
- Supplementary Allowance;
- Leave Travel Assistance;
- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of Food Vouchers and Petrol;
- Company cars with driver for official use, provision of telephone(s) at residence;
- Payment/reimbursement of telephone expenses;
- Housing Loan, Contingency Loan as per rules and policy of the Company;
- Earned/privilege leave, Casual/Sick leave as per Company policy prevailing from time to time;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

NOTES: (CONTD.)

Details required pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided in the "Annexure" to the Notice.

Your Directors commend passing of this resolution by way of an special resolution.

Except for Mrs. Shilpa Amit Mahajan herself, Mr. Amit Navin Mahajan being relative of Mrs. Shilpa Amit Mahajan none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested in this resolution set out at Item no.8

ITEM NO.9:**REVISION IN SALARY PAYABLE TO MRS. AMI MUNJAL SHAH, DIRECTORS RELATIVE HOLDING PLACE OF PROFIT:**

Mrs. Ami M. Shah is spouse of Mr. Munjal Shah (Managing Director) and daughter-in-law of Mr. Sharad V. Shah (Chairman & Director) and therefore falls under the category of related party as defined under Section 2(76) of the Companies Act, 2013. She was designated as Vice President - Human Resource & Administration (VP-HR & Admin.) and appointed at office of place of profit at a monthly salary of ₹ 2,50,000/- (excluding all perquisite and allowances) by the Board in its meeting held on 25th September, 2018. It is now proposed to revise the terms of appointment and the salary payable to Mrs. Ami M. Shah shall be in the range of ₹ 2,50,000/- upto ₹ 5,00,000/- p.m.

Pursuant to the provisions of Section 188 of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, appointment of any related party to any office or place of profit in the Company for a monthly salary exceeding ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only), requires members approval. Hence, approval of members is sought for revising the compensation of Mrs. Ami M. Shah as proposed in the resolution under this item of business.

List of Perquisites and Allowances payable to Mrs. Ami M. Shah:

- 1. Fixed Compensation:** During the tenure as Vice President - Human Resource & Administration of the Company you shall be paid a monthly compensation in the range of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) to ₹ 5,00,000/- (Rupees Five Lakhs Only) per month excluding perquisites and allowances as per the policy of the Company as approved and amended by the Board of Directors of the Company.
- 2. Performance Linked Variable Remuneration (PLVR):** Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be recommended by Nomination and Remuneration Committee and as may be decided by the Board of Directors of the Company based on Economic Value Added in the business and other relevant factors and having regard to her performance for each year.

- 3. Flexible Compensation:** In addition to the Fixed Compensation and PLVR, Mrs. Ami M. Shah will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances"). These perquisites and allowances may be granted to Mrs. Ami M. Shah in the manner as the Selection/ Compensation Committee/Board of Directors of the Company may decide as per the Rules of the Company:

- Housing (i.e. unfurnished residential accommodation OR House Rent Allowance);
- Furnishing at residence;
- Supplementary Allowance;
- Leave Travel Assistance;
- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of Food Vouchers and Petrol;
- Company cars with driver for official use, provision of telephone(s) at residence;
- Payment/reimbursement of telephone expenses;
- Housing Loan, Contingency Loan as per rules of the Company;
- Earned/privilege leave, Casual/Sick leave as per Company policy prevailing from time to time;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The information as required in accordance with Rule 15 of Companies (Meetings of Board & its Powers) Rules, 2014, as well as pursuant to Sec. 102 of the Act is as under:

- (a) Name of the related party: Mrs. Ami Munjal Shah;
- (b) Name of the Director or Key Managerial Personnel who is related: Mr. Munjal Sharad Shah, Managing Director & Mr. Sharad Virji Shah, Chairman and Director;
- (c) Nature of relationship: Mrs. Ami Munjal Shah is wife of Mr. Munjal Shah Director of the Company and daughter-in-law of Mr. Sharad Virji Shah. Mrs. Ami Munjal Shah holds 6,72,442 equity shares in the Company, constituting 11.83 % of the paid-up equity share capital of the Company.
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement:

The salary payable to Mrs. Ami M. Shah shall be in the range of ₹ 250,000/- (Rupees Two Lakhs Fifty Thousand Only) to ₹ 5,00,000/- (Rupees Five Lakhs Only).

NOTES: (CONTD.)

Your Directors commend passing of this resolution by way of an Special Resolution.

Except for Mrs. Ami Munjal Shah herself, Mr. Munjal Sharad Shah and Mr. Sharad Virji Shah being relative of Mrs. Ami Munjal Shah none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested in this resolution set out at Item no.9 in the Notice.

ITEM NO.10:**REVISION IN SALARY PAYABLE TO MR. HARSH BHANSALI, DIRECTOR'S RELATIVE HOLDING PLACE OF PROFIT IN THE COMPANY:**

Mr. Harsh Bhansali is husband of Mrs. Kaajal Bhansali (daughter of Mr. Sharad Virji Shah, Chairman and Director of the Company)and thus falls under the definition of related party u/s 2(76) of the Companies Act, 2013. He was appointed as officer holding place of profit in the Company under Section 188(1)(f) of the Companies Act, 2013 and rules made thereunder at a monthly salary of ₹ 1,00,000/- per month respectively.

Mr. Harsh Bhansali, Director - Finance leads the overall Accounts and Finance across all the division. His decision making skills have helped the organisation to manage and meets the finance requirements of the Company and is associated with the Company since inception.

In terms of Section 188(1)(f) of the Companies Act, 2013 read with relevant rules made thereunder and pursuant to recommendation of Nomination and Remuneration Committee and Audit Committee for the enhancement in the prescribed limits of the salary from ₹ 1,00,000/- per month to ₹ 3,00,000/-per month including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc.

Your Directors commend passing of this resolution by way of an special resolution.

Except for Mr. Harsh Bhansali himself, Mrs. Kaajal Bhansali, Mr. Sharad Virji Shah, Mr. Munjal Sharad Shah and Mrs. Niranjana Shah being relative of Mr. Harsh Bhansali none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested in this resolution set out at Item no.10

ITEM NO.11:**REVISION IN SALARY PAYABLE TO MRS. KAAJAL BHANSALI, DIRECTOR'S RELATIVE HOLDING PLACE OF PROFIT IN THE COMPANY:**

Mrs. Kaajal Bhansali is daughter of Mr. Sharad Virji Shah, Chairman and Director of the Company and thus falls under the definition of related party u/s 2(76) of the Companies Act, 2013. She was appointed as officer holding place of profit in the Company under Section 188(1)(f) of the Companies Act,

2013 and rules made thereunder at a monthly salary of ₹ 1,00,000/- per month respectively.

In terms of Section 188(1)(f) of the Companies Act, 2013 read with relevant rules made thereunder and pursuant to recommendation of Nomination and Remuneration Committee and Audit Committee for the enhancement in the prescribed limits of the salary from ₹ 1,00,000/- per month to ₹ 3,00,000/-per month including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc. are in ordinary course of business.

Your Directors commend passing of this resolution by way of an Special Resolution.

Except for Mrs. Kaajal Bhansali herself, Mr. Sharad Virji Shah, Mr. Munjal Sharad Shah and Mrs. Niranjana Shah being relative of Mrs. Kaajal Bhansali none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested in this resolution set out at Item no.11

ITEM NO.12:**REVISION IN SALARY PAYABLE TO MR. AMIT MAHAJAN, DIRECTOR'S RELATIVE HOLDING PLACE OF PROFIT IN THE COMPANY:**

Mr. Amit Mahajan is spouse of Mrs. Shilpa Mahajan, Whole Time Director of the Company and thus falls under the definition of related party u/s 2(76) of the Companies Act, 2013. Mr. Amit Mahajan heads the Business Development department of the Company and is designated as Director - Business Development. He was appointed as officer holding place of profit in the Company under Section 188(1)(f) of the Companies Act, 2013 and rules made thereunder at a monthly salary of ₹ 1,00,000/- per month respectively. His present roles is crucial for growth of the Company and it is therefore proposed to increase his salary.

In terms of Section 188(1)(f) of the Companies Act, 2013 read with relevant rules made thereunder and pursuant to recommendation of Nomination and Remuneration Committee and Audit Committee for the enhancement in the prescribed limits of the salary from ₹ 1,00,000/- per month to ₹ 3,00,000/-per month including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc. are in ordinary course of business.

Your Directors commend passing of this resolution by way of an Special Resolution.

Except for Mr. Amit Mahajan, Mrs. Shilpa Mahajan being relative of Mr. Amit Mahajan none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested in this resolution set out at Item no.12

ANNEXURE

Details of revision of terms of appointment of Managing Director and Whole Time Director and Mr. Sharad Virji Shah, Director liable to retire by rotation at the AGM pursuant to Secretarial Standards- 2 on General Meetings:

Name of Director	Mr. Sharad Virji Shah	Mr. Munjal Sharad Shah	Mrs. Shilpa Amit Mahajan
DIN	00622001	01080863	01087912
Date of birth	18th December, 1947	27th May, 1977	09th November, 1979
Age	72 Years	42 years	39 Years
Date of first appointment on the Board	16th June, 2009	16th June, 2009	25th June, 2018
Qualifications	Higher Secondary Certificate	Higher Secondary Certificate	Diploma in Interior Design
Experience	Mr. Sharad 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 Indigenisation & 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 hand 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.	Mr. Munjal Shah is Promoter of the Company and held the position of Executive Director in the Company since its inception and was later re-designated as Managing Director. He propelled the Company from a small-scale engineering company into a multi-faceted organisation offering diverse solutions in areas of Flow Forming, Special Purpose Machines & Equipment's, Turnkey Mechanical Units, Titanium Structures, etc. -primarily for Defense applications. He is member of various Committees in the Company.	Mrs. Shilpa Mahajan holds an Diploma in Interior Design. She was appointed as on the Board pursuant to amalgamation of Concept Shapers and Electronics Pvt. Ltd. by the Company and was later re-designated as Whole Time Director. Her knowledge and passion lies in designing products and is well acquainted with design softwares. She has an all-round experience over the last 19 years in the organisation, which helps her successfully handle the complete operations of the Company right from design to delivery.
Terms and conditions of appointment	No change	No change	No change
Details of remuneration last drawn	₹ 1,00,000/- per Board / Committee Meeting or as may be decided by the Board	₹ 5,00,000/- p.m.	₹ 1,00,000/-p.m.
Remuneration proposed to be paid	No change	In the range of ₹ 5,00,000/- p.m. to ₹ 7,00,000/-p.m.	In the range of ₹ 1,00,000/-p.m. to ₹ 3,00,000/-p.m.
Shareholding in the Company as on date	36,56,094 (constituting 64.34% of the paid-up capital)	6,81,526 (constituting 11.99% of the paid-up capital)	1,52,449 (constituting 2.68% of the paid-up capital)
Relationship with other Directors / Key Managerial Personnel	Mr. Sharad Shah is father of Mr. Munjal Shah, Managing Director of the Company	Mr. Munjal Shah is son of Mr. Sharad Shah, Chairman and Director of the Company	N.A
Directorships in other companies	1. Paras Green Optics Private Limited	1. Holland Shielding Systems (India) Private Limited 2. Paras Green Optics Private Limited 3. Paras Aerospace Solutions Private Limited 4. Paras Strategic Technologies Private Limited 5. Remy Entertainment & Banquets Private Limited	1. Holland Shielding Systems (India) Private Limited 2. Paras Aerospace Solutions Private Limited 3. Paras Strategic Technologies Private Limited
Membership of Committees/ Chairmanship in other Companies	N.A	N.A	N.A
Number of Board meetings attended during the year	22	22	10

BOARD'S REPORT

Dear Shareholders,

The Directors of your Company are pleased to present 10th Annual Report together with the Standalone and Consolidated Audited Financial Statements for the financial year ended on 31st March, 2019 .

1. FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	Standalone*			Consolidated*		
	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from Operations	15,439.94	14,925.62	5,133.48	15,439.94	14,925.62	15,986.91
Other Income	277.39	327.63	29.26	277.01	327.63	140.87
Less: Expenditure	13,029.73	12,211.95	4,883.87	13,035.87	12,211.94	14,571.13
Profit Before Taxation	2687.58	3041.30	278.87	2681.09	3041.31	1,589.63
Income tax	688.39	641.42	97.86	688.39	641.42	413.23
Deferred Tax	95.79	(91.20)	10.80	95.79	(91.20)	128.01
MAT Credit Entitlement	-	(10.29)	-	-	(10.29)	-
Income Tax for Earlier Years	(0.13)	(6.64)	(0.72)	(0.13)	(6.64)	(0.72)
Net Profit after Tax	1,903.54	2508.01	170.93	1,897.04	2,508.01	1,049.11
Other Comprehensive Income	43.76	1.49	(1.68)	43.76	1.49	0.76
Total Comprehensive Income for the year	1,859.78	2,506.52	172.62	1,853.28	2,506.52	1,048.35

2. STATE OF COMPANIES AFFAIRS/FINANCIAL PERFORMANCE:

The Company has earned revenue from operation of ₹ 15,439.94 Lakhs during the year ended on 31st March, 2019 as against ₹ 14,925.62 Lakhs earned during the previous year ended on 31st March, 2018. The Company's total revenue registered a growth. The Company has also earned other income of ₹ 277.39 Lakhs during the year under review as against ₹ 327.63 Lakhs earned during the previous year.

3. DIVIDEND:

As the Company is in its growth stage the management has decided to conserve the resources for its expansion and diversification. Hence, the Board of Directors of the Company has not recommended any dividend during the year under review.

4. TRANSFER TO RESERVES:

The Company has not transferred any amount out of the current year profits of the Company for the financial year 2018-19 to General Reserve Account. The description of reserves and surplus are given in Note No. 15, forming part of Standalone Financial Statements.

5. CHANGE IN CAPITAL STRUCTURE OF THE COMPANY:

A. Authorised Share Capital –

During the year under review, there was no change in the authorised share capital of the Company.

However upon consummation of amalgamation with Concept Shapers and Electronics Private Limited (Associate Company) and Mechvac India Limited (Subsidiary Company) with your Company the Authorised share capital of the Company was increased after receipt of approval from the National Company Law Tribunal (NCLT) on 07th June, 2018 from 52,60,000 equity shares of ₹ 10/- each to 35,26,00,000 Equity shares of ₹ 10/- each.

B. Issued, Subscribed and Paid-up Share Capital-

The Company's issued, subscribed and paid-up capital was ₹ 5,68,25,340/- (Rupees Five Crores Sixty Eight Lakhs Twenty Five Thousand Three Hundred and Forty Only) as on 31st March, 2019 compared to ₹ 5,58,25,340/- (Rupees Five Crores Fifty Eight Lakhs Twenty Five Thousand and Three Hundred and Forty Only) as on 31st March, 2018.

During the year under review, following allotment of equity shares of ₹ 10/- were made:

- Pursuant to the scheme of amalgamation 5,72,534 equity shares were allotted (for consideration other than cash) to the shareholders of the erstwhile Mechvac India Limited and Concept Shapers and Electronics Private Limited on 20th August, 2018. The effect of such allotment were already given in the Financial Statements of the Company for the year ended 31st March, 2018 as the appointed date for the scheme of amalgamation was 01st April, 2017 resulting into preparation of account for the year ended 31st March, 2018 on amalgamated basis.

BOARD'S REPORT (CONTD.)

2. 1,00,000 (One Lakhs) equity shares of ₹ 10/- (Rupees Ten each) were allotted on conversion of 10,00,000 (Ten Lakhs) Unsecured 0% Compulsorily Convertible Debentures of ₹ 100/- each on 03rd November, 2018.

The shares allotted upon conversion of CCDs during the year under review were allotted at such price as determined by the valuation report obtained by Category – I Merchant Banker.

6. BONUS SHARES/ EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS/ESOP:

During the year under review, the Company has not issued any equity shares with differential voting rights nor has granted any stock options or sweat equity or bonus issue. As on 31st March, 2019, none of the Directors / shareholders of the Company hold instruments convertible into equity shares of the Company.

7. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Subsidiaries:

As on 31st March, 2019, the Company had 5 (five) subsidiaries out of which 4 (four) are Indian subsidiaries and 1 (One) Foreign subsidiary.

The details of the Subsidiaries are as follow:

Sl. No.	Name of the Company	Date of Incorporation
1.	Holland Shielding India Pvt. Ltd. (Indian WOS)	12.03.2018
2.	Paras Green Optics Pvt. Ltd. (Indian WOS)	29.10.2018
3.	Paras Aerospace Solutions Pvt. Ltd. (Indian WOS)	13.02.2019
4.	Paras Strategic Technologies Pvt. Ltd. (Indian WOS)	25.02.2019
5.	Paras Space Technologies PTE. Ltd. (Foreign Subsidiary)	02.01.2019

Associate Companies:

As on 31st March, 2019, there are no Associate companies within the meaning of Section 2(6) of the Companies Act, 2013.

Joint Venture:

As on 31st March, 2019, there are Joint Ventures within the meaning of Section 2(6) of the Companies Act, 2013.

During the year under review, the following Companies:

- (a) became a Subsidiary of the Company:
- i. Paras Green Optics Private Limited (w.e.f. 29th October, 2018)
 - ii. Paras Space Technologies Pte. Limited (w.e.f. 02nd January, 2019)
 - iii. Paras Aerospace Solutions Private Limited (w.e.f. 13th February, 2019)
 - iv. Paras Strategic Technologies Private Limited (w.e.f. 25th February, 2019)
- (b) ceased to be a subsidiary of the Company:
- i. Mechvac India Limited (w.e.f. 07th June, 2018 pursuant to amalgamation of the entity with the Company)
- (c) ceased to be an Associate of the Company:
- i. Concept Shapers and Electronics Private Limited (w.e.f. 07th June, 2018 pursuant to amalgamation of the entity with the Company)

Pursuant to provision of section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiary in form AOC-1 is attached to the Annual Report of the Company as **Annexure I**.

8. CONSOLIDATED FINANCIAL STATEMENTS

As per Section 129(3) of Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company, along with Holland Shielding Systems (India) Private Limited and Paras Green Optics Private Limited, Wholly Owned Subsidiaries.

BOARD'S REPORT (CONTD.)

The Company will provide a copy of separate audited financial statements in respect of its Wholly-owned subsidiary to any shareholder of the Company who asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and that of the Wholly-owned subsidiary company at the Registered Office.

9. DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 read together with the companies (Acceptance of Deposits) Rules, 2014.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans & Investment as required under section 186 of the Companies Act 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 are given under notes to the Standalone financial statements which forms part of this Annual Report.

There is no Guarantee given during the year under review.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure II** which forms part of this Report.

12. DIRECTORS:
A. Director's liable to Retire by Rotation:

In accordance with the provisions of Section 152 Companies Act, 2013 and the Company's Articles of Association, Mr. Sharad Virji Shah, Chairman and Director retires by rotation this year and being eligible offers himself for re-appointment.

The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

B. Change in Directors during the year:

Name of Director	DIN	Nature of change	Designation	Date of appointment	Date of change in designation	Date of cessation
Mr. Amit Mahajan	01087400	Appointment and Resignation	Additional Director	25.06.2018	-	28.09.2018
Mrs. Shilpa Mahajan	01087912	Appointment and change in designation	Whole Time Director	25.06.2018	28.09.2018	-
Mrs. Ami Shah	00930183	Resignation	Director	-	-	25.09.2018
Mr. Sharad Shah	00622001	Change in designation	Chairman and Non-Executive Director	-	28.09.2018	-
Mr. Munjal Shah	01080863	Change in designation	Managing Director	-	28.09.2018	-
Mr. Sunil Kumar Sharma	03614952	Appointment	Non-Executive Independent Director	08.01.2019	-	-
Mr. Manmohan Handa	06942720	Appointment	Non-Executive Independent Director	08.01.2019	-	-

None of the Board of Directors holds directorships in more than 10 public companies.

C. Independent Director:

Pursuant to Section 149(7) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company has received declaration from Mr. Sunil Kumar Sharma (DIN: 03614952) and Mr. Manmohan Handa (DIN: 06942720), Independent Directors of the Company that they meet the criteria of independence as required under Section 149(6) of the Act.

BOARD'S REPORT (CONTD.)

13. KEY MANAGERIAL PERSONNEL(KMP):

Changes in Key Managerial Personnel during the year:

Name of KMP	Designation	Date of appointment	Date of cessation
Mrs. Nilakshi Sharma	Company Secretary	05th March, 2018	30th July, 2018
Mrs. Mansi Sharma	Company Secretary	20th August, 2018	01st March, 2019
Mr. Ajit Sharma	Company Secretary	05th April, 2019	-
Mr. Prasantamadhab Barua	Chief Financial Officer	20th August, 2018	03rd November, 2018

Pursuant to provision of Section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is not required to appoint Chief Financial Officer.

However, the Company is searching for appropriate candidate to fill the position of Chief Financial Officer.

14. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION ETC:

The Company's Policy on appointment and remuneration of Directors, Key Managerial Personnel, and other employees is available on the website of the Company www.parasdefence.com

15. BOARD EVALUATION:

Pursuant to provisions of section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014 Company and in terms of framework of Nomination and Remuneration Policy, the Nomination and Remuneration Committee and Board of Directors have carried out annual performance evaluation of the Directors.

16. AUDITORS:**a) Statutory Auditors**

M/s. Chaturvedi & Shah LLP, Chartered Accountants, Mumbai (Firm Reg No.: 101720W) had been appointed as Statutory Auditor of the Company for a term of 5 years from the conclusion of 09th Annual General Meeting until the conclusion of 13th Annual General Meeting on such terms and conditions and remuneration as may be decided by the Board from time to time.

b) Cost Auditor:

M/s. Dinesh Jain & Company, Cost Accountant, Mumbai (Firm Reg. No: 100583) has been proposed to be appointed as Cost Auditor for the Financial Year 2019-20. The Company has maintained cost records as per the applicable provisions of the Companies Act, 2013 or any other applicable Act.

c) Secretarial Auditors:

The company does not have paid up capital of ₹ 50 crores or more, or Turnover of ₹ 250 crores or more and hence, the provisions of section 204 of Companies Act, 2013 regarding secretarial audit are not applicable to the Company.

17. EXPLANATION ON ANY ADVERSE REMARK AND COMMENT BY THE AUDITORS:

- No adverse remark and comments are given by the auditors of the Company. The Statutory Auditor has not reported any incident of fraud of the Company during the financial year 2018-19.
- Provisions regarding secretarial audit are not applicable to the Company and hence no report was issued for the same.

18. EXTRACT OF ANNUAL RETURN:

Extract of Annual Return in form MGT-9 containing details as on the financial year ended 31st March, 2019 as required under section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is annexed herewith as **Annexure III** which forms part of this report.

19. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

In accordance with the provision of Section 135 of the Companies Act, 2013 and rules made thereunder, your Company had constituted Corporate Social Responsibility (CSR) Committee.

BOARD'S REPORT (CONTD.)

Your Company constituted Corporate Social Responsibility Committee with following members:

1. Mr. Munjal Sharad Shah
2. Mrs. Shilpa Amit Mahajan
3. Mr. Manmohan Handa

As a part of Corporate Social Responsibility, the Company has undertaken projects in the areas of Environment Sustainability, Health care, Education, Promotion and Development of Traditional Art and Culture, Community Welfare. These projects are in accordance with Schedule VII of the Act and the Company's CSR policy.

The CSR expenditure spent by the Company for the F.Y. 2018-19 is as follow:

Particulars	(₹ in Lakhs)
	For the year ended 31st March, 2019
Environmental Sustainability	18.76
Health Care, Sanitation and providing Drinking Water	3.34
Promotion and Development of Traditional Art and Culture, Community Welfare	0.51
Total	22.61

The contents of the CSR policy and CSR Report for the year 2018-19 is attached as **Annexure IV** to this report. The CSR policy is also available on the Company's website at www.parasdefence.com

20. VIGIL MECHANISM:

As per Section 177(9) and (10), read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 of the Act, the Company has established a vigil mechanism for Directors and employees to report their genuine concerns to the appropriate authorities for any unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimisation of employees who avail the mechanism. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

During the year under review, there were no complaints reported.

21. RISK MANAGEMENT POLICY:

In line with regulatory requirements, the Company has framed risk management policy to identify and access with the regulatory risk areas and a risk mitigation process. A detailed exercise is being carried out at regular interval to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined frame work.

22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT A WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT 2013:

The Company is committed to provide a healthy environment to all the employees and thus does not tolerate any sexual harassment at workplace. The Company has in place, "Policy on prevention, Prohibition and Redressal of Sexual Harassment." The policy aims to provide protection to employees at the workplace and preventing and redressing complaints of sexual harassment and it covers matters connected or incidental thereto. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

23. COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS- 1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

24. CHANGE IN NATURE OF BUSINESS:

There was no change in nature of the business of the Company, during the year under review.

BOARD'S REPORT (CONTD.)

25. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

The following orders has been passed during the financial year under review and to the date of Report:

I. Order Number CSP No. 1503 OF 2018 dated 07th June, 2018:

The Scheme of Amalgamation between Mechvac India Limited, Concept Shapers and Electronics Private Limited, Paras Defence and Space Technologies Limited and their respective Shareholders was approved by National Company Law Tribunal vide order dated 07th June, 2018. The amalgamation of the entities has helped the business to be more efficient and cost effective. The business activities of the amalgamated entities were similar and complimentary to each other and hence the Company's operation in future will include the business activities of the amalgamated entities as well.

II. Order Number RD/ Sec.87/589/2018-19/7218 dated 20th March, 2019:

The condonation of delay and extension of time for filing the particulars of satisfaction of charge Id: 100066934 in favour of Axis Bank Limited having being filed with Registrar of Companies, Mumbai with a delay of 47 (Forty Seven) days was approved by the Western Region, Regional Director, Mumbai vide its order dated 20th March, 2019.

III. Order Number RD/ Sec.87/710/2019-20/1788 dated 17th June, 2019:

The condonation of delay and extension of time for filing the particulars of registration of charge 100271815 in favour of Siemens Financial Services Private Limited having being filed with Registrar of Companies, Mumbai with a delay of 365 (Three Hundred and Sixty Five) days was approved by the Western Region, Regional Director, Mumbai vide its order dated 17th June, 2019.

26. MEETINGS OF THE BOARD:

During the financial year 2018-19, the Board met 22 times i.e. on:

09th April, 2018	02nd May, 2018	16th May, 2018	18th May, 2018
28th May, 2018	06th June, 2018	15th June, 2018	21st June, 2018
22nd June, 2018	25th June, 2018	27th June, 2018	13th July, 2018
20th August, 2018	15th September, 2018	25th September, 2018	29th September, 2018
03rd November, 2018	12th December, 2018	15th December, 2018	25th January, 2019
21st February, 2019	14th March, 2019		

The maximum interval between any two meetings did not exceed 120 days.

Details of the Board of Directors and Attendance Record of Directors during the financial year ended 31st March, 2019 is as under:

Sr. No.	Name of Director	Number of meetings entitled to attend	Number of meetings attended
1	Mr. Sharad Virji Shah	22	22
2	Mr. Munjal Sharad Shah	22	22
3	#Mrs. Ami Munjal Shah	14	14
4	\$Mr. Amit Navin Mahajan	5	4
5	*Mrs. Shilpa Amit Mahajan	12	10
6	%Mr. Sunil Kumar Sharma	3	1
7	^Mr. Manmohan Handa	3	1

Mrs. Ami Munjal Shah resigned from the Company w.e.f 25th September, 2018

\$ Mr. Amit Navin Mahajan was appointed w.e.f. 25th June, 2018 and ceased to be a Director w.e.f. 28th September, 2018

* Mrs. Shilpa Amit Mahajan was appointed w.e.f. 25th June, 2018

% Mr. Sunil Kumar Sharma was appointed w.e.f. 08th January, 2019

^ Mr. Manmohan Handa was appointed w.e.f. 08th January, 2019

BOARD'S REPORT (CONTD.)

27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:-

All the transactions with related parties are in the ordinary course of business and on arm's length basis. The details of the transactions entered into between the Company and the related parties under Section 188 of the Companies Act, 2013 are given in AOC-2 as **Annexure V** 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 Note No. 35 of the Notes forming part of the Financial Statements

28. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT:

There have been no material changes affecting the financial position of the Company between the end of the Financial Year of the Company to which the Financial Statements relate and to the date of Report.

However, during the year under review, the Company has entered into this scheme of amalgamation as it will enable optimisation of legal entity structure through rationalisation of Concept Shapers And Electronics Private Limited (subsidiary) and Mechvac India Limited (Associate Company). The scheme of amalgamation was approved by National Company Law Tribunal (NCLT) on 07th June, 2018.

29. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Board reviews the internal control systems at regular intervals, the adequacy of internal audit function and significant internal audit findings with the management and update the same to the Audit Committee for their review and recommendation to the Board.

30. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2019 and of the profit of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. APPRECIATION AND ACKNOWLEDGEMENT:

Your Directors would like to take this opportunity to thank all our employees for their contribution in the continued success of Paras Defence & Space Technologies Limited. Your Directors would also like to extend their gratitude towards our business partners, associates, vendors and also the Central, State governments and government agencies for their sustained support. Your Directors would also like to express their sincere appreciation to you for your continued faith, trust, encouragement and support. Your support is the foundation on which this Company will scale new heights.

BY ORDER OF THE BOARD OF DIRECTORS OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Sd/-
SHARAD VIRJI SHAH
Chairman and Director
DIN: 00622001

Sd/-
MUNJAL SHARAD SHAH
Managing Director
DIN: 01080863

Date: 07th September, 2019
Place: Navi Mumbai

ANNEXURE - I

FORM AOC-1

(Pursuant to first proviso 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/associate companies/joint ventures

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No.	Particulars	Details				
1	Name of the subsidiary	Holland Shielding Systems (India) Private Limited	Paras Green Optics Private Limited	Paras Space Technologies Pte. Limited	Paras Aerospace Solutions Private Limited	Paras Strategic Technologies Private Limited
		Indian WOS	Indian WOS	Foreign WOS	Indian WOS	Indian WOS
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	29th October, 2018 to 31st March, 2019	02nd January, 2019 to 31st March, 2019		
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	Reporting Currency : USD Exchange Rate as on 31.03.2019: 1 US\$ = ₹ 69.15	NA	NA
4	Share capital	1,00,000	100,000	5,048	1,00,000	1,00,000
5	Reserves & surplus	-	-	(5,08,428)	-	-
6	Total assets	58,493	80,333	2,14,934	1,00,000	1,00,000
7	Total Liabilities	58,493	80,333	2,14,934	1,00,000	1,00,000
8	Investments	-	-	-	-	-
9	Turnover	-	-	-	-	-
10	Profit/Loss before taxation	(93,074)	(47,624)	(5,08,427)	-	-
11	Provision for taxation	-	-	-	-	-
12	Profit after taxation	(93,074)	(47,624)	-	-	-
13	Proposed Dividend	-	-	-	-	-
14	% of shareholding	100%	100%	100%	100%	100%

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

- Names of subsidiaries which are yet to commence operations:
 - Holland Shielding Systems (India) Private Limited
 - Paras Green Optics Private Limited
 - Paras Space Technologies Pte. Limited
 - Paras Aerospace Solutions Private Limited
 - Paras Strategic Technologies Private Limited

The above mentioned subsidiary Companies proposes to initiate the business activity in coming future.

- Names of subsidiaries which have been liquidated or sold during the year: N.A

ANNEXURE - I (CONTD.)
PART "B": ASSOCIATE AND JOINT VENTURES

(Information in respect of each Associate to be presented with amounts in ₹)

Sr. No.	Particulars	Details
1	Name of the Associate	Not Applicable
2	Latest audited Balance Sheet Date	Not Applicable
3	Reporting period for the Associate concerned, if different from the holding company's reporting period	Not Applicable
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Associates	Not Applicable
5	Share capital	Not Applicable
6	Reserves & surplus	Not Applicable
7	Total assets	Not Applicable
8	Total Liabilities	Not Applicable
9	Investments	Not Applicable
10	Turnover	Not Applicable
11	Profit/Loss before taxation	Not Applicable
12	Provision for taxation	Not Applicable
13	Profit after taxation	Not Applicable
14	Proposed Dividend	Not Applicable
15	% of shareholding	Not Applicable

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

- Names of Associates which are yet to commence operations
- Names of Associates which have been liquidated or sold during the year.

BY ORDER OF THE BOARD OF DIRECTORS OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

 Sd/-
SHARAD VIRJI SHAH
 Chairman and Director
 DIN: 00622001

 Sd/-
MUNJAL SHARAD SHAH
 Managing Director
 DIN: 01080863

 Sd/-
AJIT K. SHARMA
 Company Secretary

Date: 07th September, 2019

Place: Navi Mumbai

ANNEXURE - II

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information pursuant to the section 134(3)(m) of the Companies Act, 2013 read with the companies (Accounts) Rules, 2014 and forming a part

Sr. No.	Particulars	Remarks
1.	Conservation of energy	
A	The steps taken or impact on Conservation of Energy	Your Company took many initiatives to reduce the electricity consumption through productivity increase. Your Company has focused on productivity so that unit consumption per unit is reduced
i.	Process Optimisation and automation	
ii.	Optimisation of Electrical Equipment	
iii.	Lighting	
iv.	Other key initiative for energy conservation	
B.	The steps taken by the Company for utilising alternate source of energy	
C.	The capital investment on energy conservation equipment	
2.	Technology Absorption	
a.	The efforts made by the Company towards technology absorption	The Company has no activity relating to technology absorption.
b.	The benefits derived like product improvement, cost reduction, product development or import substitution	
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	2018-19	2017-18
Foreign Exchange Earnings in terms of actual inflows	23,40,73,563	66,89,67,402
Foreign Exchange Outgo in terms of actual outflows	23,81,35,585	2,21,00,013

BY ORDER OF THE BOARD OF DIRECTORS OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Sd/-
SHARAD VIRJI SHAH
 Chairman and Director
 DIN: 00622001

Sd/-
MUNJAL SHARAD SHAH
 Managing Director
 DIN: 01080863

Date: 07th September, 2019
 Place: Navi Mumbai

ANNEXURE - III

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U29253MH2009PLC193352
2.	Registration Date	16/06/2009
3.	Name of the Company	Paras Defence and Space Technologies Limited
4.	Category/sub-category of the Company	Company Limited by Shares/Non Govt. Company
5.	Address of the Registered Office and contact details	D-112, TTC Industrial Area, MIDC, Nerul Navi Mumbai Mumbai City -400706, Maharashtra Email: harsh@parasdefence.com Telephone No.: 022-2672 9999 PAN: AAFCP1825J
6.	Whether Listed Company	No
7.	Name, address and contact details of Registrar and Transfer Agent	Link Intime India Pvt Ltd. C 101, 247 Park, LBS Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai- 400 083, Maharashtra Tel. No. 022-4918 6000 Fax No. +91 022- 49186060 E-mail: demat@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Engineering and Technological Products, ferrous & non ferrous metals, etc.	2599	38.93
2	Manufacture of Electronic & Mechanical Items such as Cabinets, Controlling systems, Consoles	2610	30.35
3	Manufacture of optical components involving machinery, mechanical process & high precision jobs	2670	30.72

As per the National industrial Classification (NIC) Code - 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Holland Shielding Systems (India) Private Limited Address: 2nd Floor, Plot no. D-112, TTC Industrial Area, Nerul (E), Navi Mumbai Mumbai City -400706, Maharashtra, India	U74999MH2018PTC306329	Wholly owned Subsidiary Company	100	2(87)
2	Paras Green Optics Private Limited Address: 1st Floor, D-112, TTC Industrial Area MIDC, Nerul Navi Mumbai -400706	U33309MH2018PTC316487	Wholly owned Subsidiary Company	100	2(87)
3	Paras Space Technologies Pte. Limited Address: 54, Arab Street, Singapore- 199751	-	Wholly owned Subsidiary Company	100	2(87)

ANNEXURE - III (CONTD.)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	Paras Aerospace Solutions Private Limited Address: 12, Sanjeevappa Layout, Nagavarapalya, C.V. Raman Nagar, Bangalore-560093	U74999KA2019PTC127669	Wholly owned Subsidiary Company	100	2(87)
5	Paras Strategic Technologies Private Limited Address: 1st Floor,D-112, TTC Industrial Area MIDC, Nerul Navi Mumbai -400706	U74999MH2019PTC321808	Wholly owned Subsidiary Company	100	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	43,37,554	43,37,554	77.70	43,37,620	-	43,37,620	76.33	(1.37)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	-	43,37,554	43,37,554	77.70	43,37,620	-	43,37,620	76.33	(1.37)
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	43,37,554	43,37,554	77.70	43,37,620	-	43,37,620	76.33	(1.37)
Total shareholding of Promoter (A) = (A)(1)+(A)(2)									
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-

ANNEXURE - III (CONTD.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	1,91,327	1,91,327	3.43	4,500	1,91,327	1,95,827	3.45	0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	92	92	0.00	69,526	-	69,526	1.22	1.22
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	10,53,562	10,53,562	18.87	10,03,340	-	10,03,340	17.66	(1.21)
c) Others (Non-Resident Indian)	-	-	-	-	76,221	-	76,221	1.34	1.34
Sub-total (B)(2):- Total Public Shareholding (B) = (B) (1) + (B)(2)	-	12,44,981	12,44,981	22.30	11,53,587	1,91,327	13,44,914	23.67	1.37
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	55,82,534	55,82,534	100	54,91,207	1,91,327	56,82,534	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Mr. Sharad Shah	36,56,094	65.49	-	36,56,094	64.34	-	(1.15)
2	Mr. Munjal Shah	6,81,460	12.21	-	6,81,526	11.99	-	(0.22)
	Total	43,37,554	77.70	-	43,37,620	76.33	-	(1.37)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Sharad Virji Shah				
	At the beginning of the year	36,56,094	65.49	36,56,094	65.49
	Decrease in percentage of shareholding due to conversion of CCDs into equity shares	-	-	-	(1.15)
	At the End of the year	-	-	36,56,094	64.34

ANNEXURE - III (CONTD.)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	Mr. Munjal Sharad Shah				
	At the beginning of the year	6,81,460	12.21	6,81,460	12.21
	Transfer of shares	-	-	66	0.00
	Decrease in percentage of shareholding due to conversion of CCDs into equity shares	-	-	-	(0.22)
	At the End of the year	-	-	6,81,526	11.99

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	No. of shares		% of total shares of the Company	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Badve Engineering Ltd				
	At the beginning of the year	1,59,439	2.86	1,59,439	2.86
	Decrease in percentage of shareholding due to conversion of CCDs into equity shares	-	-	-	(0.05)
	At the End of the year	-	-	1,59,439	2.81
2.	Rakesh Kirplani				
	At the beginning of the year	76,221	1.37	76,221	1.37
	Decrease in percentage of shareholding due to conversion of CCDs into equity shares	-	-	-	(0.03)
	At the end of the year	-	-	76,221	1.34
3.	Surashrii Consultants Private Limited				
	At the beginning of the year	31,888	0.57	31,888	0.57
	Decrease in percentage of shareholding due to conversion of CCDs into equity shares	-	-	-	(0.01)
	At the End of the year	-	-	31,888	0.56
4.	Nitin Shah				
	At the beginning of the year	-	-	-	-
	Allotment of shares pursuant to conversion of CCDs into equity shares	-	-	15,000	0.26
	At the end of the year	-	-	15,000	0.26
5.	Madhvi Rubin Chheda				
	At the beginning of the year	-	-	-	-
	Allotment of shares pursuant to conversion of CCDs into equity shares	-	-	11,000	0.19
	At the end of the year	-	-	11,000	0.19
6.	Vishal N. Sejpal j/w Seema Sejpal				
	At the beginning of the year	-	-	-	-
	Allotment of shares pursuant to conversion of CCDs into equity shares	-	-	7,500	0.13
	At the end of the year	-	-	7,500	0.13
7.	Narandas A. Sejpal j/w Varsha N. Sejpal				
	At the beginning of the year	-	-	-	-
	Allotment of shares pursuant to conversion of CCDs into equity shares	-	-	7,500	0.13
	At the end of the year	-	-	7,500	0.13

ANNEXURE - III (CONTD.)

Sr. No.	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8.	Hansa Shah				
	At the beginning of the year	-	-	-	-
	Allotment of shares pursuant to conversion of CCDs into equity shares	-	-	7,000	0.12
	At the end of the year	-	-	7,000	0.12
9.	Mahendra Ravji Chheda				
	At the beginning of the year	-	-	-	-
	Allotment of shares pursuant to conversion of CCDs into equity shares	-	-	5,500	0.10
	At the end of the year	-	-	5,500	0.10
10.	Kekin Kunverji Chheda				
	At the beginning of the year	-	-	-	-
	Allotment of shares pursuant to conversion of CCDs into equity shares	-	-	5,500	0.10
	At the end of the year	-	-	5,500	0.10

V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director/Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Sharad Virji Shah				
	At the beginning of the year	36,56,094	65.49	36,56,094	65.49
	Decrease in percentage of shareholding due to conversion of CCDs into equity shares	-	-	-	(1.15)
	At the End of the year	-	-	36,56,094	64.34
2.	Munjal Sharad Shah				
	At the beginning of the year	6,81,460	12.21	6,81,460	12.21
	Increase in number of shares due to Transfer of shares and Decrease in percentage of shareholding due to conversion of CCDs into equity shares	-	-	66	(0.22)
	At the End of the year	-	-	6,81,526	11.99
3.	*Ami Munjal Shah				
	At the beginning of the year	6,72,442	12.05	6,72,442	12.05
	Decrease in percentage of shareholding due to conversion of CCDs into equity shares	-	-	-	(0.22)
	At the End of the year	-	-	6,72,442	11.83
4.	*Amit Navin Mahajan				
	At the beginning of the year	1,52,449	2.73	1,52,449	2.73
	Decrease in percentage of shareholding due to conversion of CCDs into equity shares	-	-	-	(0.05)
	At the End of the year	-	-	1,52,449	2.68
5.	*Shilpa Amit Mahajan				
	At the beginning of the year	1,52,449	2.73	1,52,449	2.73
	Decrease in percentage of shareholding due to conversion of CCDs into equity shares	-	-	-	(0.05)
	At the End of the year	-	-	1,52,449	2.68
6.	*Sunil Kumar Sharma				
	At the beginning of the year	-	-	-	-
	Increase/Decrease in percentage of shareholding	-	-	-	-
	At the End of the year	-	-	-	-

ANNEXURE - III (CONTD.)

Sr. No.	Name of Director/Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
7.	*Manmohan Handa	At the beginning of the year	-	-	-	-
		Increase/Decrease in percentage of shareholding	-	-	-	-
		At the End of the year	-	-	-	-
8.	*Prasantamadhab Barua	At the beginning of the year	-	-	-	-
		Increase/Decrease in percentage of shareholding	-	-	-	-
		At the End of the year	-	-	-	-
9.	*Nilakshi Sharma	At the beginning of the year	-	-	-	-
		Increase/Decrease in percentage of shareholding	-	-	-	-
		At the End of the year	-	-	-	-
10.	*Mansi Sharma	At the beginning of the year	-	-	-	-
		Increase/Decrease in percentage of shareholding	-	-	-	-
		At the End of the year	-	-	-	-

Note:

* Mrs. Ami Munjal Shah ceased to be a Director w.e.f. 25th September, 2018

Mr. Amit Navin Mahajan was appointed as Additional Director w.e.f. 25th June, 2018 and ceased to be a Director w.e.f. 28th September, 2018

Mrs. Shilpa Amit Mahajan was appointed as Additional Director w.e.f. 25th June, 2018

Mr. Sunil Kumar Sharma was appointed as Independent Director w.e.f. 08th January, 2019

Mr. Manmohan Handa was appointed as Independent Director w.e.f. 08th January, 2019

Mr. Prasantamadhab Barua was appointed as Chief Financial Officer w.e.f. 20th August, 2018 and resigned w.e.f. 03rd November, 2018

Ms. Nilakshi Sharma was appointed as Company Secretary w.e.f. 05th March, 2018 and resigned w.e.f. 30th July, 2018

Ms. Mansi Sharma was appointed as Company Secretary w.e.f. 20th August, 2018 and resigned w.e.f. 01st March, 2019

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal amount	58,65,44,219	1,50,37,066	NIL	60,15,81,285
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	58,65,44,219	1,50,37,066	NIL	60,15,81,285
Changes during the financial year				
Addition	26,73,27,405	5,89,68,398	NIL	32,62,95,803
Deletion	(9,14,10,732)	(6,44,55,089)	NIL	(15,58,65,821)
Net Changes	17,59,16,673	(54,86,691)	NIL	17,04,29,982
Indebtedness at the end of the financial year				
i) Principal amount	76,19,59,671	95,40,315	NIL	77,14,99,986
ii) Interest due but not paid	5,01,221	10,060	NIL	5,11,281
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	76,24,60,892	95,50,375	NIL	77,20,11,267

ANNEXURE - III (CONTD.)
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	NAME OF THE DIRECTORS				Total Amount
		Mr. Sharad Shah	Mr. Munjal Shah	Mrs. Ami Shah	Mrs. Shilpa Mahajan	
1.	Gross Salary	9.00	39.00	7.50	12.00	67.50
(a)	Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
(b)	Value of perquisites under section 17(2) of Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
(c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2.	Stock Options	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL	NIL
5.	Others, specify (if any)	NIL	NIL	NIL	NIL	NIL
	Total (A)	9.00	39.00	7.50	12.00	67.50
	Ceiling as per the Act	The salary paid to the Directors is within the prescribed limits of the Act				

B. Remuneration to other directors:

During the financial year under review, the Company paid the following sitting fees to its Non-Executive Director and Independent Directors for attending the Board and Committee Meeting(s) as follow:

(₹ in Lakhs)

Particulars of Remuneration	NAME OF THE DIRECTORS		Total Amount
	Mr. Sunil Kumar Sharma	Mr. Manmohan Handa	
Name of Independent Directors			
Fee for attending Board/ Committee Meeting	3.00	1.00	4.00
Commission	NIL	NIL	NIL
Others, Please Specify	NIL	NIL	NIL
Total	3.00	1.00	4.00
Others Non-Executive Directors	Mr. Sharad Virji Shah		
Fee for attending Board/Committee Meeting	7.00	NIL	7.00
Commission	NIL	NIL	NIL
Other, please Specify	NIL	NIL	NIL
Total(2)	7.00	NIL	NIL
Total	10.00	1.00	11.00
Overall Ceiling as per the Act (₹ 1,00,000 Per Meeting)	The sitting fees paid to the Independent Directors and the Non-Executive Director is within the prescribed limits under the Act		

ANNEXURE - III (CONTD.)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount	
		Chief Executive Officer	Ms. Nilakshi Sharma, Company Secretary	Ms. Mansi Sharma, Company Secretary		Mr. Prasanmadhab Barua,
1.	Gross Salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	3.44	5.89	9.33
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Options	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify					
5.	Others, specify (if any)	-	-	-	-	-
	Total (A)	-	-	3.44	5.89	9.33

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

During the financial year under review, there were no penalties / Punishment / Compounding of offences under the Companies Act, 2013.

BY ORDER OF THE BOARD OF DIRECTORS OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Sd/-
SHARAD VIRJI SHAH
 Chairman and Director
 DIN: 00622001

Sd/-
MUNJAL SHARAD SHAH
 Managing Director
 DIN: 01080863

Date: 07th September, 2019
 Place: Navi Mumbai

ANNEXURE - IV

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 part of socially responsible company, PDSTL has and continues to adopt policies, and business strategies to effectively integrate emerging environmental, social safety and health protection considerations. The Company shall carry out activities as per Company's CSR Policy or as may be mentioned in the Schedule VII of the Companies Act, 2013 to contribute towards CSR.

The activities undertaken for the Financial Year 2018-19 are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR Policy are available on www.parasdefence.com

2. The composition of the CSR Committee -

Mr. Munjal Sharad Shah	Chairman
Mrs. Shilpa Amit Mahajan	Member
Mr. Manmohan Handa	Member

3. Average Net Profit of the Company for last three financial years - ₹ 11,23,64,891/- (Rupees Eleven Crores Twenty Three Lakhs Sixty Four Thousand Eight Hundred and Ninety One Only)

4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above) - ₹ 22,47,298/- (Rupees Twenty Two Lakhs Forty Seven Thousand Two Hundred and Ninety Eight Only)

5. Details of CSR spent during the financial year:-

(a) Total amount to be spent for the financial year - ₹ 22,47,298/-

(b) Amount unspent if any - Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
1	Health Care, Sanitation and providing Drinking Water	Promoting health care including preventive health care	Navi Mumbai and Gujarat	3,34,105	3,34,105	3,34,105	3,34,105
2	Environment Sustainability	Ensuring environment sustainability	Tardeo, Mumbai and Kutch, Gujarat	18,76,000	18,76,000	22,10,105	18,76,000
3	Promotion and Development of Traditional Art and Culture, Community Welfare	Protection of National heritage, Art and Culture	Mumbai	51,000	51,000	22,61,105	51,000
	TOTAL						22,61,105



ANNEXURE - IV (CONTD.)

6. We Mr. Munjal S. Shah, Mrs. Shilpa A. Mahajan and Mr. Manmohan Handa Members of the CSR Committee hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

BY ORDER OF THE BOARD OF DIRECTORS OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Sd/-

SHARAD VIRJI SHAH

Chairman and Director

DIN: 00622001

Sd/-

MUNJAL SHARAD SHAH

Managing Director

DIN: 01080863

Date: 07th September, 2019

Place: Navi Mumbai

ANNEXURE - V

FORM NO. 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 arms length transactions under third proviso thereto

Details of material contracts or arrangement or transactions at arm's length basis

(₹ in Lakhs)

(a) Name(s) of the related party and nature of relationship	Sharad Shah	Munjal Shah	Ami Shah	Shilpa Mahajan	Sharad Shah	Ami Shah	Harsh Bhansali	Kaajal Bhansali	Amit Mahajan	Anish Mehta
(b) Nature of contracts/ arrangements/ transactions	Managerial Remuneration	Managerial Remuneration	Managerial Remuneration	Managerial Remuneration	Sitting fees	Salary to relatives	Salary to relatives	Salary to relatives	Salary to relatives	Salary to relatives
(c) Duration of the contracts / arrangements/ transactions	One year	Five years	One year	Five Years	Board resolution dated 25.09.18	Board resolution dated 25.09.18	Board resolution dated 15.05.15	Board resolution dated 15.05.15	Board resolution dated 25.09.18	Board resolution dated 15.05.16
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	9	39	7.5	12	7	15	12	10.5	9	3.35
(e) Date(s) of approval by the Board, if any	9.4.2018	25.9.2018	9.4.2018	25.9.2018	25.9.2018	25.9.2018	15.5.2015	15.5.2015	25.9.2018	15.5.2016
(f) Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

BY ORDER OF THE BOARD OF DIRECTORS OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Sd/-
SHARAD VIRJI SHAH
 Chairman and Director
 DIN: 00622001

Sd/-
MUNJAL SHARAD SHAH
 Managing Director
 DIN: 01080863

Date: 07th September, 2019
 Place: Navi Mumbai

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** ("the Company"), which comprise the Standalone Balance sheet as at 31st March, 2019, and the Statement of Standalone Profit and Loss (including Other Comprehensive Income), the Statement of Standalone Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 state of affairs of the Company as at 31st March, 2019 and its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS 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 Ind AS 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 Ind AS 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors report and chairman's statement included in the

annual report but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS 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 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.

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 Ind AS 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 Ind AS 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent 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 Comparative financial information of the Company for the year ended 31st March, 2018, 31st March, 2017 and transition date opening balance sheet as at 1st April, 2016 included in these Standalone Ind AS financial statements (Refer note no. 33 to the Standalone Ind AS Financial Statements), are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor, whose reports for the year ended 31st March, 2018 dated 25th September, 2018, for the year ended 31st March, 2017 dated 5th September, 2017 and for the year ended 31st March, 2016 dated 1st September, 2016 expressed an unmodified opinion, on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above said matter.

Report on Other Legal and Regulatory Requirements

1. 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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 Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Standalone Ind AS 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 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.
- 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 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:
- i. The Company does not have any pending litigations which would impact its financial position;
 - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of CARO 2016.

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

R. KORIA
Partner
Membership No. 35629
UDIN No.: 19035629AAAAF13704

Place: Mumbai
Date: 7th September, 2019

ANNEXURE "A" 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 Standalone Ind AS Financial Statements of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED for the year ended 31st March, 2019)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** ('the Company') as of 31st March, 2019 in conjunction with our audit of the Standalone Ind AS 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 over financial reporting 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS 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 system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal

financial controls over financial reporting were operating effectively as at 31st March, 2019, except in respect of allocation of various overheads for determination of the costs of its products, which need to be further strengthened, based on the internal control over financial reporting criteria established by the Company 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

R. KORIA
Partner
Membership No. 35629
UDIN No.: 19035629AAAAF13704

Place: Mumbai
Date: 7th September, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 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 Ind AS Financial Statements for the year ended 31st March, 2019)

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the Company has physically verified certain assets, 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 given to us, the title deeds /lease deeds of immovable properties are held in the name of the Company except in case of freehold land at Cherlapally, Hyderabad, which was acquired by an entity that has since been amalgamated with the company in pursuance to the scheme of amalgamation approved by the National Company Law Tribunal (NCLT) under the Act.
Original title deeds of all the immovable properties are deposited with the lenders and have been verified based on the photocopies of the documents of those properties.
- ii. As explained to us, inventories have been physically verified during the year by the management and in our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company and the same have been properly dealt with.
- iii. In respect of loans, secured or unsecured, granted by the Company to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act:
 - a. The Company has granted unsecured loan to its 5 (Five) wholly owned subsidiaries. In our opinion and according to the information and explanation given to us, the terms and conditions on which the loan had been granted were not, prima facie, prejudicial to the interest of the Company.
 - b. The terms of repayment of principal and payment of interest have been stipulated and the receipts are regular, where applicable.
 - c. As the repayment of loan is on demand and interest is not due for payment as on 31st March, 2019, so the question of overdue does not arise.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans and making investments. The Company has not provided any guarantees or securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of paragraph 3(v) of the CARO 2016 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 Companies Act, 2013, 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 been generally regular in depositing undisputed statutory dues, including duty of customs, cess, goods and service tax and any other statutory dues, as applicable, with the appropriate authorities during the year however delays have been noticed in respect of provident fund, employees' state insurance and income tax. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable except advance income tax amounting to ₹ 239.78 Lakhs.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- b. According to information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii. Based on our audit procedures and information and explanations given by the Management, during the year the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix. According to the information and explanations given to us, the term loans raised during the year were, prima facie, been applied for the purpose for which those are raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS Financial Statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of paragraph 3 (xii) of the CARO 2016 are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, during the year under review the Company had issued the Compulsory Convertible Debentures (CCDs) on preferential basis which got fully converted into equity shares. The requirement of section 42 of the Act has been complied with and the amount raised has been used for the purposes for which the funds were raised.
- 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. Therefore, the provisions of paragraph 3 (xv) of the CARO 2016 are not applicable to the Company.
- xvi. In our opinion and according to 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.

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

R. KORIA
Partner
Membership No. 35629
UDIN No.: 19035629AAAAF13704

Place: Mumbai
Date: 7th September, 2019

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
I. ASSETS					
1) Non Current Assets					
(a) Property, Plant and Equipment	2	16,588.77	16,973.92	4,447.49	4,311.62
(b) Capital Work in Progress	2	262.95	120.68	-	-
(c) Intangible Assets	3	240.47	162.33	0.06	0.14
(d) Financial Assets					
i) Investments	4	9.05	6.00	897.16	881.40
ii) Other Financial Assets	5	42.43	78.97	24.74	42.60
(e) Other Non Current Assets	6	87.07	156.60	480.47	72.84
		17,230.74	17,498.50	5,849.92	5,308.60
2) Current Assets					
(a) Inventories	7	6,452.70	4,379.37	2,476.12	2,334.75
(b) Financial Assets					
i) Trade Receivables	8	8,322.72	2,529.36	1,098.95	556.88
ii) Cash and Cash Equivalents	9	12.34	36.25	2.36	382.29
iii) Bank Balances other than (ii) above	10	167.83	229.20	99.93	32.11
iv) Loans	11	18.02	8.00	1.25	-
v) Other Financial Assets	12	51.29	58.38	44.66	9.23
(c) Other Current Assets	13	720.40	940.81	174.32	356.09
		15,745.30	8,181.37	3,897.59	3,671.35
TOTAL ASSETS		32,976.04	25,679.87	9,747.51	8,979.95
II. EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	14	568.25	558.25	501.00	501.00
(b) Other Equity	15	14,674.89	11,825.12	1,953.71	1,781.09
		15,243.14	12,383.37	2,454.71	2,282.09
LIABILITIES					
1) Non Current Liabilities					
(a) Financial Liabilities					
i) Borrowings	16	3,832.02	3,910.53	886.38	670.03
ii) Other Financial Liabilities	17	-	-	12.61	-
(b) Provisions	18	168.83	87.46	24.61	-
(c) Deferred Tax Liabilities (Net)	19	2,778.19	2,700.38	1,036.09	1,024.45
		6,779.04	6,698.37	1,959.69	1,694.48
2) Current Liabilities					
(a) Financial Liabilities					
i) Borrowings	20	3,792.59	2,105.29	1,916.54	2,635.33
ii) Trade Payables	21				
Total Outstanding dues of Micro enterprises and small enterprises		726.95	39.44	-	-
Total Outstanding dues of creditors other than Micro enterprises and small enterprises		4,598.22	2,249.51	1,648.94	1,404.23
iii) Other Financial Liabilities	22	1,098.80	1,035.80	331.83	368.38
(b) Other Current Liabilities	23	160.80	608.01	1,346.23	586.49
(c) Provisions	24	15.05	46.28	2.52	-
(d) Current Tax Liabilities (Net)		561.45	513.80	87.05	8.95
		10,953.86	6,598.13	5,333.11	5,003.38
TOTAL EQUITY AND LIABILITIES		32,976.04	25,679.87	9,747.51	8,979.95
Significant Accounting Policies	1				
Notes to the Standalone Financial Statements	2 to 47				

As per our report of even date,
For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No. 101720W/W100355)

R. KORIA
Partner
Membership No. 35629
Place: Mumbai
Date: 7th September, 2019

For and on behalf of the Board of Directors

MUNJAL SHAH
Managing Director
DIN: 01080863

SHARAD SHAH
Chairman and Director
DIN: 00622001

AJIT SHARMA
Company Secretary
Membership No. F10165

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
1 REVENUE FROM OPERATIONS	25	15,439.94	14,925.62	5,133.48
2 OTHER INCOME	26	277.38	327.63	29.26
3 TOTAL INCOME (1+2)		15,717.32	15,253.25	5,162.74
4 EXPENSES				
Cost of Materials Consumed		9,552.39	9,480.54	3,064.12
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	27	(1,163.97)	(1,648.77)	(77.91)
Excise Duty and Service Tax		-	617.05	442.10
Employee Benefits Expense	28	897.74	686.08	185.83
Finance Costs	29	938.52	735.63	372.01
Depreciation and Amortisation Expense	30	940.55	668.12	168.84
Other Expenses	31	1,864.52	1,673.30	728.87
Total Expenses		13,029.75	12,211.95	4,883.86
5 PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)		2,687.57	3,041.30	278.88
6 EXCEPTIONAL ITEMS		-	-	-
7 PROFIT BEFORE TAX (5-6)		2,687.57	3,041.30	278.88
8 TAX EXPENSES :				
Current Tax		688.39	641.42	97.86
MAT Credit Entitlement		-	(10.29)	-
Deferred Tax	19	95.79	(91.20)	10.80
Income Tax for Earlier Years		(0.13)	(6.64)	(0.72)
		784.05	533.29	107.94
9 PROFIT FOR THE YEAR (7-8)		1,903.53	2,508.01	170.94
10 OTHER COMPREHENSIVE INCOME				
(i) Items that will not be reclassified to profit or loss				
Remeasurement Losses / (Gains) on Defined Benefit Plans		61.74	2.11	(2.52)
Tax Effect on above		(17.98)	(0.62)	0.84
(ii) Items that will be reclassified to Profit or Loss		-	-	-
Total Other Comprehensive Income (Net of Tax)		43.76	1.49	(1.68)
Total Comprehensive Income for the year (9-10)		1,859.77	2,506.52	172.62
11 EARNINGS PER EQUITY SHARE OF ₹ 10/- EACH	32			
Basic (₹)		33.85	44.93	3.41
Diluted (₹)		33.62	44.93	3.41
Significant Accounting Policies	1			
Notes to the Standalone Financial Statements	2 to 47			

As per our report of even date,
For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No. 101720W/W100355)

R. KORIA
Partner
Membership No. 35629
Place: Mumbai
Date: 7th September, 2019

For and on behalf of the Board of Directors

MUNJAL SHAH
Managing Director
DIN: 01080863

SHARAD SHAH
Chairman and Director
DIN: 00622001

AJIT SHARMA
Company Secretary
Membership No. F10165

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2019

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Balance as at 1st April, 2016	Changes during 2016-17	Balance as at 31st March, 2017	Changes during 2017-18	Balance as at 31st March, 2018	Changes during 2018-19	Balance as at 31st March, 2019
Equity Share Capital	501.00	-	501.00	57.25	558.25	10.00	568.25

B. OTHER EQUITY

(₹ in Lakhs)

PARTICULARS	Reserves and Surplus				Revaluation Reserve	Item of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Remeasurements of Defined Benefit Plans	
Balance as at 1st April, 2016	-	-	10.94	(618.60)	2,388.75	-	1,781.09
Total Comprehensive Income for the year	-	-	-	170.94	-	1.68	172.62
Balance as at 31st March, 2017	-	-	10.94	(447.66)	2,388.75	1.68	1,953.71
Pursuant to the scheme of Amalgamation (Refer Note No. 33)	(808.36)	3,944.71	0.98	2,435.66	1,794.34	(2.44)	7,364.89
Total Comprehensive Income for the year	-	-	-	2,508.01	-	(1.49)	2,506.52
Balance as at 31st March, 2018	(808.36)	3,944.71	11.92	4,496.01	4,183.09	(2.25)	11,825.12
Conversion of Compulsorily Convertible Debentures	-	990.00	-	-	-	-	990.00
Total Comprehensive Income for the year	-	-	-	1,903.53	-	(43.76)	1,859.77
Balance as at 31st March, 2019	(808.36)	4,934.71	11.92	6,399.54	4,183.09	(46.01)	14,674.89

As per our report of even date,
For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No. 101720W/W100355)

R. KORIA

Partner
Membership No. 35629
Place: Mumbai
Date: 7th September, 2019

For and on behalf of the Board of Directors

MUNJAL SHAH
Managing Director
DIN: 01080863

SHARAD SHAH
Chairman and Director
DIN: 00622001

AJIT SHARMA
Company Secretary
Membership No. F10165

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax as per the Statement of Profit and Loss	2,687.57	3,041.30	278.88
ADJUSTED FOR :			
Depreciation and Amortisation Expense	940.55	668.12	168.84
Dividend on Current Investments	(0.50)	(0.60)	-
Interest Income	(16.49)	(30.31)	(11.62)
Guarantee Commission	-	-	(1.05)
Finance Costs	811.88	715.71	372.01
(Profit)/Loss on discard of Property, Plant and Equipment	5.39	(5.00)	-
Bad Debts / Advances written off (Net)	42.16	61.71	5.11
Provision for Expected Credit Loss	66.77	22.84	12.82
Unrealised Foreign Exchange differences	(28.42)	(4.20)	(12.16)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,508.91	4,469.57	812.83
ADJUSTMENTS FOR :			
Trade and Other Receivables	(5,674.58)	5,582.58	(415.24)
Inventories	(2,073.33)	(166.11)	(141.37)
Trade and Other Payables	2,604.85	(5,225.97)	1,004.12
CASH GENERATED FROM OPERATIONS	(634.15)	4,660.07	1,260.35
Direct Taxes (Paid) / Refund	(756.96)	(441.04)	(17.55)
NET CASH (USED IN) / FLOW FROM OPERATING ACTIVITIES	(1,391.12)	4,219.04	1,242.79
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(965.61)	(4,971.84)	(719.15)
Investment in Subsidiary	(3.05)	(1.00)	-
Sale of Investment	-	30.00	-
Interest Income	10.28	30.37	11.05
Dividend Income	0.50	0.60	-
NET CASH USED IN INVESTING ACTIVITIES	(957.88)	(4,911.87)	(708.09)

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2019 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceed from Issue of Compulsorily Convertible Debentures	1,000.00	-	-
Proceed from Non Current Borrowings	767.97	3,250.01	-
Repayment of Non Current Borrowings	(603.72)	(598.89)	169.56
Current Borrowings (Net)	1,687.31	(1,711.43)	(706.63)
Finance Costs	(624.38)	(724.10)	(327.61)
Margin Money (Net)	97.91	425.01	(49.96)
NET CASH GENERATED / (USED IN) FROM FINANCING ACTIVITIES	2,325.09	640.60	(914.63)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(23.91)	(52.23)	(379.93)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	36.25	2.36	382.29
Add: Pursuant to Scheme of Amalgamation (Refer Note No. 33)	-	86.12	-
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	12.34	36.25	2.36

Changes in Liabilities arising from financing activities on account of Non-Current (Including Current Maturities) and Current Borrowings

Particulars	31st March, 2019	31st March, 2018	31st March, 2017
Opening Balance of Liabilities Arising from Financing Activities	6,636.04	2,917.51	3,466.75
Add : Pursuant to Scheme of Amalgamation (Refer Note No. 33)	-	2,760.12	-
Add : Changes from Cash Flow from Financing Activities (Net)	1,851.55	939.69	(537.07)
Add : The Effects of Changes in foreign exchange rates	-	17.72	(12.16)
Closing Balance of Liabilities Arising from Financing Activities	8,487.59	6,635.04	2,917.51

(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.

As per our report of even date,
For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No. 101720W/W100355)

R. KORIA
Partner
Membership No. 35629
Place: Mumbai
Date: 7th September, 2019

For and on behalf of the Board of Directors

MUNJAL SHAH
Managing Director
DIN: 01080863

SHARAD SHAH
Chairman and Director
DIN: 00622001

AJIT SHARMA
Company Secretary
Membership No. F10165

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019

11.1 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. The company is involved in design, development, manufacturing, testing & commissioning of products, systems and solutions for Defence & Space Applications.

The financial statements of the Company for the year ended 31st March, 2019 were approved and adopted by board of directors in their meeting held on 7th September, 2019.

1.2 Basis of preparation

The 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.

Up to the year ended 31st March, 2018, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The Management of the Company is planning to make Initial Public Offering (IPO) of equity shares of the Company. The Company will required to provide earlier years financial information, prepared in accordance with Ind AS, in its letter of offer as per the SEBI regulations. Accordingly the Company has adopted the Ind AS by considering 1st April, 2016 as transition date to Ind AS. These financial statements for the year ended 31st March, 2019 are the first financials with comparatives prepared in accordance with Ind AS.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values.

These 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 Significant 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 as deemed cost on the date of transition i.e. 1st April, 2016.

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 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 period 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.
- (b) Leasehold land is amortised over the period of lease.

The asset's residual values, useful lives and method of depreciation are reviewed at

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

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. The period of amortisation is as under :

Asset	Period of amortisation
Computer Software	6 Years
Technical Know how	6 Years

(C) Borrowing Cost

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

(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) Government Grants and Subsidy:

The Company is entitled to subsidy from DSIR (Department of Scientific & Industrial Research), Ministry of Science & Technology for the difference between the normal rate of interest @12% and the concessional rate of interest @ 3% on financial assistance received from DSIR, subject to prompt repayment of the principal and interest thereon. Government grants are recognised only if there is reasonable assurance that the grant will be received and all the conditions attached there to shall be complied with and are adjusted against the finance costs.

(F) Taxes on Income:

Tax expense represents the sum of current tax (including MAT and 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

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

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.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(G) Inventories:

Inventories are measured at lower of cost and net realisable value 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.

(H) 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 recognised 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.

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.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

- a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

Financial assets - Derecognition

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flow from the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial Liabilities - Initial recognition and measurement:

The financial Liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial Liabilities - Subsequent measurement:

Financial Liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial Liabilities - Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

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.

(I) 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 financial statements are categorised within the fair value hierarchy that categorises 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 recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period and discloses the same.

(J) Investment in Subsidiary and Associate Companies:

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

(K) 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 transfer 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 recognised 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

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Contract Balances - Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

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 utilisation/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 time 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.

(L) 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

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

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.

(M) 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.

(N) Lease:

As a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the Balance Sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

As a lessor:

The company has leased premises where the company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit and loss on a straight line basis over the lease term or other systematic basis which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

(O) Research and Development:

Revenue expenditure on Research and Development is charged in the period in which it is incurred. Capital Expenditure for Research and Development is capitalised when commissioned and included in the Plant, Property and Equipment and depreciated in accordance with the policies stated for Property, Plant and Equipment.

(P) 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

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. 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.

(Q) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

(R) Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(S) Earnings per share:

Basic earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

(T) Current / Non-current classification:

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA).

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

(U) 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 financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation/amortisation and useful lives of property plant and equipment/intangible assets

Property, plant and equipment/intangible assets are depreciated/amortised over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

b) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

c) Defined benefit obligation

The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

d) Income Tax:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

e) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

2 PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in Lakhs)									
	Freehold-Land	Leasehold-Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total	
Deemed Cost										
As at 1st April, 2016 (IND AS)	-	2,911.82	301.77	932.17	14.83	131.62	17.28	2.13		4,311.62
Additions	-	-	5.37	171.18	30.75	94.55	1.70	1.08		304.63
Disposals / Adjustments	-	-	-	-	-	-	-	-		-
Balance as at 31st March, 2017	-	2,911.82	307.14	1,103.35	45.58	226.17	18.98	3.21		4,616.25
Assets Acquired as per scheme of Amalgamation (Refer Note No.33)	377.82	2,503.77	2,948.62	1,994.80	62.81	35.64	16.61	5.72		7,945.79
Additions	-	-	305.09	4,756.61	23.34	109.47	25.30	5.43		5,225.23
Disposals / Adjustments	-	-	-	-	-	-	-	-		-
Balance as at 31st March, 2018	377.82	5,415.59	3,560.85	7,854.76	131.73	371.28	60.89	14.36		17,787.27
Additions	-	-	272.57	3.81	136.87	8.28	74.72	15.15		511.40
Disposals / Transfer	-	-	-	11.45	-	-	-	-		11.45
As at 31st March, 2019	377.82	5,415.59	3,833.42	7,847.12	268.60	379.56	135.61	29.51		18,287.22
Depreciation										
As at 1st April, 2016	-	-	-	-	-	-	-	-		-
Depreciation	-	33.44	12.46	81.64	3.17	26.08	11.29	0.68		168.76
Disposals	-	-	-	-	-	-	-	-		-
As at 31st March, 2017	-	33.44	12.46	81.64	3.17	26.08	11.29	0.68		168.76
Depreciation	-	81.17	154.24	339.62	16.09	40.48	8.22	4.76		644.59
Disposals	-	-	-	-	-	-	-	-		-
As at 31st March, 2018	-	114.61	166.70	421.26	19.26	66.56	19.51	5.44		813.35
Depreciation	-	81.17	167.90	543.92	23.35	51.42	18.04	5.36		891.16
Disposals	-	-	-	6.06	-	-	-	-		6.06
As at 31st March, 2019	-	195.78	334.60	959.12	42.61	117.98	37.55	10.80		1,698.45
Net Carrying Value										
As at 1st April, 2016	-	2,911.82	301.77	932.17	14.83	131.62	17.28	2.13		4,311.62
As at 31st March, 2017	-	2,878.38	294.69	1,021.71	42.42	200.09	7.69	2.53		4,447.49
As at 31st March, 2018	377.82	5,300.98	3,394.15	7,433.50	112.47	304.72	41.38	8.93		16,973.92
As at 31st March, 2019	377.82	5,219.81	3,498.82	6,888.00	225.99	261.58	98.06	18.71		16,588.77

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

- 2.1** Property, Plant and Equipment include assets pledged / hypothecation as security (Refer note no. 16 and 20).
- 2.2** Vehicles, having carrying value of ₹ 261.58 lakhs (31st March, 2018 : ₹ 304.72 Lakhs, 31st March, 2017 : ₹ 210.09 lakhs, 1st April, 2016: ₹ 131.62 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 Capital Work in Progress Includes:**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Building under Construction	262.95	120.68	-	-
TOTAL	262.95	120.68	-	-

- 2.4** Building includes cost of shares in Co-operative society of ₹ 750 (Previous year ₹ 750).
- 2.5** 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 31st March, 2019.

3 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software*	Process Technology / Technical know-How*	TOTAL
Deemed Cost			
As at 1st April, 2016	0.14	-	0.14
Additions	-	-	-
Balance as at 31st March, 2017	0.14	-	0.14
Additions	0.18	185.62	185.80
Balance as at 31st March, 2018	0.32	185.62	185.94
Additions	4.01	123.52	127.53
As at 31st March, 2019	4.33	309.14	313.47
Amortisation			
As at 1st April, 2016	-	-	-
Amortisation charge for the Year	0.08	-	0.08
Balance as at 31st March, 2017	0.08	-	0.08
Amortisation charge for the Year	0.08	23.45	23.53
Balance as at 31st March, 2018	0.16	23.45	23.61
Amortisation charge for the Year	0.31	49.09	49.39
As at 31st March, 2019	0.47	72.54	73.00
Net Carrying Amount			
As at 1st April, 2016	0.14	-	0.14
As at 31st March, 2017	0.06	-	0.06
As at 31st March, 2018	0.16	162.17	162.33
As at 31st March, 2019	3.86	236.60	240.47

* Other than self generated

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

4 NON CURRENT INVESTMENTS

PARTICULARS	Number of Shares					Face Value	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016	As at 31st March, 2017	As at 01st April, 2016
	Number of Shares											
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016	As at 01st April, 2016							
Equity Instruments (Unquoted, Fully Paid Up)												
i) Subsidiary Companies (Carried at Cost)												
Mechvac India Limited	-	-	87,49,216	87,49,216	10	-	-	890.68	874.92			
Concept Shapers & Electronics Private Limited	-	-	87,500	87,500	1	-	-	0.88	0.88			
Holland Shielding Systems (India) Private Limited *	10,000	10,000	-	-	10	1.00	1.00	-	-			
Paras Aerospace Solutions Private Limited #	10,000	-	-	-	10	1.00	1.00	-	-			
Paras Green Optics Private Limited #	10,000	-	-	-	10	1.00	1.00	-	-			
Paras Strategic Technologies Private Limited #	10,000	-	-	-	10	1.00	1.00	-	-			
Paras Space Technologies PTE Ltd	100	-	-	-	SGD 1	0.05	-	-	-			
ii) Others (Carried at fair value through Profit & Loss)												
NKGSB Co-Operative Bank Limited	50,000	50,000	50,000	50,000	10	5.00	5.00	5.00	5.00			
Preference Shares (Unquoted, Fully Paid Up)												
i) Subsidiary Company (Carried at Cost)												
Concept Shapers Electronics Private Limited	-	-	60,000	60,000	1	-	-	0.60	0.60			
TOTAL						9.05	6.00	897.16	881.40			
*9900 shares are held by the Company in its own name and 100 shares are held by Mr. Munjal Shah as nominee of the company												
# 9999 shares are held by the Company in its own name and 1 share is held by Mr. Munjal Shah as nominee of the company												
Aggregate Amount of Unquoted Investments						9.05	6.00	897.16	881.40			
Investment Carried at Cost						4.05	1.00	892.16	876.40			
Investment Carried at fair value through Profit & Loss						5.00	5.00	5.00	5.00			

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

5 OTHERS NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(Unsecured, Considered Good)				
Fixed Deposits with Banks held as Margin Money	42.43	78.97	24.74	42.60
TOTAL	42.43	78.97	24.74	42.60

6 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(Unsecured, Considered Good)				
Capital Advances	5.00	79.97	478.24	70.00
Security Deposits	82.07	66.34	2.23	1.34
MAT Credit Entitlement (Refer Note No. 6.1)	-	10.29	-	1.50
TOTAL	87.07	156.60	480.47	72.84

6.1 The Company was liable to pay MAT under Section 115JB of the Income Tax Act, 1961 ("the Act") in earlier years. MAT paid under Section 115JB of the Act over tax payable as per the provisions of the Act, other than Section 115JB of the Act, has been carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB of the Act, in next fifteen years. During the year, the Company has utilized ₹ 10.29 lakhs against tax liability of current year.

6.2 Capital Advances includes the amount due from director of the Company of ₹ Nil (31st March, 2018: Nil, 31st March, 2017: Nil, 1st April, 2016: 0.23 lakhs)(Refer Note No. 35).

7 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Raw Materials	2,816.80	1,924.53	465.67	402.21
Work-in-Progress	2,475.74	1,206.11	2,010.45	1,932.54
Finished Goods	1,065.28	1,170.94	-	-
Stores, Spares and Consumables	94.88	77.79	-	-
TOTAL	6,452.70	4,379.37	2,476.12	2,334.75

7.1 For basis of valuation Refer Accounting Policy Note No. 1.3(G)

7.2 For Inventories hypothecated as security (Refer Note No.16 and 20)

8 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(Unsecured)				
Considered Good	8,426.26	2,827.10	1,141.01	586.11
Significant Increase in Credit Risk	260.97	-	-	-
	8,687.23	2,827.10	1,141.01	586.11
Less: Provision for Expected Credit Loss	364.51	297.74	42.06	29.23
TOTAL	8,322.72	2,529.36	1,098.95	556.88

8.1 Hypothecated as security (Refer Note No. 16 and 20)

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

9 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Cash and Cash Equivalents				
Balances with Banks in Current Accounts	7.96	6.09	0.63	378.18
Cash on hand	4.38	30.16	1.73	4.11
TOTAL	12.34	36.25	2.36	382.29

9.1 For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise the following:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Balances with Banks in Current Accounts	7.96	6.09	0.63	378.18
Cash on hand	4.38	30.16	1.73	4.11
TOTAL	12.34	36.25	2.36	382.29

10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Fixed Deposits with Banks Pledged as Margin Money	167.83	229.20	99.93	32.11
TOTAL	167.83	229.20	99.93	32.11

11 LOANS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(Unsecured, Considered Good)				
Loans to Employees	15.13	8.00	1.25	-
Loans to Subsidiary Companies (Refer Note No. 35)*	2.89	-	-	-
TOTAL	18.02	8.00	1.25	-

* Loan include the following amounts due from private limited companies where Directors are interested as Director / Member:

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Holland Shielding Systems(India) Private Limited	0.42	-	-	-
Paras Aerospace Solutions Private Limited	0.12	-	-	-
Paras Green Optics Private Limited	0.17	-	-	-
Paras Strategic Technologies Private Limited	0.04	-	-	-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

12 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(Unsecured, Considered Good)				
Interest Receivables	6.71	0.50	0.57	-
Government Grant Receivables	44.58	57.88	44.09	9.23
TOTAL	51.29	58.38	44.66	9.23

13 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Advances to Suppliers	505.46	538.99	135.12	292.52
Balances with Revenue Authorities	124.67	308.03	37.40	62.88
Export Incentive Receivables	42.95	92.64	-	-
Others *	47.32	1.15	1.80	0.69
TOTAL	720.40	940.81	174.32	356.09

* Others Includes prepaid expenses, advances for expenses, etc.

14 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Authorised				
35,260,000 (31st March, 2018 : 35,260,000 , 31st March, 2017 : 5,260,000, 1st April, 2016: 5,260,000) Equity Shares of ₹ 10/- each. *	3,526.00	3,526.00	526.00	526.00
Issued, Subscribed and Paid up				
5,682,534 (31st March, 2018 : 5,582,534, 31st March, 2017 : 5,010,000, 1st April, 2016: 5,010,000) Equity Shares of ₹ 10/- each fully paid up	568.25	558.25	501.00	501.00
TOTAL	568.25	558.25	501.00	501.00

* Pursuant to scheme of amalgamation, the authorised share capital of Mechvac India Limited and Concept Shapers & Electronics Private Limited has been added to the authorised share capital of the Company.

14.1: 2,582,534 (31st March, 2018: 2,582,534, 31st March, 2017: 2,010,000, 1st April, 2016: 2,010,000) shares were allotted in last five years pursuant to the schemes of Amalgamation without payment received in cash.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

14.2 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year:

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	55,82,534	558.25	50,10,000	501.00	50,10,000	501.00	50,10,000	501.00
Add: Shares Issued Pursuant to the scheme of amalgamation (Refer Note No. 33)	-	-	5,72,534	57.25	-	-	-	-
Add: Issued on conversion of Compulsorily Convertible Debentures (Refer Note No. 14.4)	1,00,000	10.00	-	-	-	-	-	-
Shares outstanding at the end of the year	56,82,534	568.25	55,82,534	558.25	50,10,000	501.00	50,10,000	501.00

14.3 Details of Shareholders, holding more than 5% shares of the Company:

(₹ in Lakhs)

Name of Shareholders	As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	Percentage held	No. of Shares held	Percentage held	No. of Shares held	Percentage held	No. of Shares held	Percentage held
Mr. Sharad Virji Shah	36,56,094	64.34%	36,56,094	65.49%	36,56,094	72.98%	36,56,094	72.98%
Mr. Munjal Sharad Shah	6,81,526	11.99%	6,81,460	12.21%	6,81,460	13.60%	6,81,460	13.60%
Mrs. Ami Munjal Shah	6,72,442	11.83%	6,72,442	12.05%	6,72,442	13.42%	6,72,442	13.42%

14.4 During the year, the Board of Director of the Company at its meeting held on 3rd November, 2018, based on the fair value determined by a merchant banker, converted 10,00,000 compulsorily convertible debentures of ₹ 100 each into 1,00,000 Equity Shares of ₹ 10 each at premium of ₹ 990 per share.

14.5 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 shareholder.

15 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Capital Reserve				
Balance as per last Balance Sheet	(808.36)	-	-	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 33)	-	(808.36)	-	-
	(808.36)	(808.36)	-	-
Securities Premium				

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Balance as per last Balance Sheet	3,944.71	-	-	-
Add: On Conversion of Compulsorily Convertible Debentures into Equity Shares	990.00	-	-	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 33)	-	3,944.71	-	-
	4,934.71	3,944.71	-	-
General Reserve				
Balance as per last Balance Sheet	11.92	10.94	10.94	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 33)	-	0.98	-	-
	11.92	11.92	10.94	10.94
Retained Earnings				
Balance as per last Balance Sheet	4,496.01	(447.66)	(618.60)	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 33)	-	2,435.66	-	-
Add: Profit after tax for the year	1,903.53	2,508.01	170.94	-
	6,399.54	4,496.01	(447.66)	(618.60)
Revaluation Reserve				
Balance as per last Balance Sheet	4,183.09	2,388.75	2,388.75	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 33)	-	1,794.34	-	-
	4,183.09	4,183.09	2,388.75	2,388.75
Other Comprehensive Income (OCI)				
Balance as per last Balance Sheet	(2.25)	1.68	-	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 33)	-	(2.44)	-	-
Add: Movement in OCI (Net) during the year	(43.76)	(1.49)	1.68	-
	(46.01)	(2.25)	1.68	-
TOTAL	14,674.89	11,825.12	1,953.71	1,781.09

15.1 Nature and Purpose of Reserves**Capital Reserves**

The Capital Reserve was created pursuant to the scheme of amalgamation of Mechvac India Limited, 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.

General Reserve

The General Reserve was created pursuant to the scheme of amalgamation and It 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.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

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.

Other Comprehensive Income

Other Comprehensive Income (OCI) represents the amount recognised in other equity consequent to remeasurement of Defined Benefit Plan.

16 NON CURRENT BORROWINGS

(₹ in Lakhs)				
Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Secured				
Term Loans				
- From Banks	2,590.47	2,625.95	47.18	-
- From Financial Institution *	1,040.56	992.81	503.32	437.91
- From Department of Scientific & Industrial Research of Government of India (DSIR)	160.00	240.00	335.88	232.12
Unsecured				
Fair value of financial Liability	40.99	51.77	-	-
TOTAL	3,832.02	3,910.53	886.38	670.03

* Net of Processing Fees of ₹ 7.56 Lakhs

16.01 The Term loans from banks referred to above aggregating to ₹ 2590.47 Lakhs and ₹ 563.43 included in current maturity of long Term Debts in Note No. 22 includes:

- (i) ₹ 900.58 lakhs secured by way of Equitable mortgage of Land and Building on Plot no. M-6, Additional Ambernath Industrial area, Ambernath-421506, Maharashtra, India (Measuring 21569 sq mtrs) and further secured by collateral security of plant and machinery. The loan is repayable in 72 equal monthly installments ending in March 2025.
- (ii) ₹ 187.52 lakhs secured by the Equitable mortgage of Shed constructed on Plot No. M6, MIDC Additional Ambernath Industrial Area, situated at Village Jambivali, Ambernath 421506 and further secured by collateral security of plant and machinery. The loan is repayable in 48 equal monthly installments ending in March 2023.
- (iii) ₹ 179.87 lakhs secured by Hypothecation of Flow Forming Machine and further secured by collateral security of plant and machinery. The loan is repayable in 72 equal monthly installments ending in March 2025.
- (iv) ₹ 1644.05 lakhs secured by Pari Passu Charge on all existing and future current assets / movable fixed assets of the Borrower with NKGSB Bank. Collateral Security of 1) Premises no. 103, 1st floor, veena industrial premises Co-operative Society Limited, Plot no. B-61, veera desai road, Andheri W, Mumbai 400058. 2) Unit no. 115, 1st floor, veena Industrial premises Co-operative Society Limited, Plot no. B 61, 400058. 3) Unit no. 209B, 2nd floor, veena Industrial premises Co-operative Society Limited, Plot no. B 61, 400058. 4) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 5) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076. The loan is repayable as follows.
 - The loan of ₹ 261.31 Lakhs is repayable in 58 equal monthly installments ending in January 2024.
 - The loan of ₹ 905.62 Lakhs is repayable in 48 equal monthly installments ending in March 2023.
 - The loan of ₹ 222.44 Lakhs is repayable in 72 equal monthly installments ending in March 2025.
 - The loan of ₹ 254.68 Lakhs is repayable in 46 equal monthly installments ending in January 2023.
- (v) ₹ 94.59 lakhs hypothecated by Vacuum Epoxy Resin and Dosing Machine and further secured by collateral security of plant and machinery. The loan is repayable in 51 equal monthly installments ending in June 2023.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

- (vi) ₹ 147.29 lakhs secured by the way of Hypothecation of specific vehicle financed. The loan is repayable in 18 to 72 equal monthly installments. The said vehicle loan accounts are in the name of directors / erstwhile director of the Company or of entities that has since been amalgamated with the company in pursuance to the scheme of amalgamation.

16.02 The Term loans from financial institution referred to above aggregating to ₹ 1048.12 Lakhs and ₹ 219.55 included in current maturity of long Term Debts in Note No. 22 includes:

- (i) ₹ 165.10 lakhs secured by the mortgage on 101, Kalinga Nirmal Nagar, MGLR, Dmart, Mulund (W), Mumbai 400080. The loan is repayable in 155 equal monthly installments ending in February 2032.
- (ii) ₹ 372.80 lakhs secured by 396/397A , TTC Industrial Area, Mahape, Navi Mumbai 400710. The loan is repayable in 180 equal monthly installments ending in March 2034.
- (iii) ₹ 251.05 lakhs secured by Flat no. 604/605, Nirmal nagar kalinga CHSL, Nirmal nagar, Line road, D mart, Mulund W, Mumbai, Maharashtra Indian 400080. The loan is repayable in 252 equal monthly installments ending in January 2040.
- (iv) ₹ 458.08 lakhs secured by way of hypothecation/exclusive charge on specific Equipment finance. The loan is repayable as follows:
- The loan of ₹ 36.91 Lakhs is repayable in 30 equal monthly installments ending in September 2021.
 - The loan of ₹ 55.83 Lakhs is repayable in 13 equal monthly installments ending in April 2020.
 - The loan of ₹ 43.92 Lakhs is repayable in 16 equal monthly installments ending in July 2020.
 - The loan of ₹ 110.15 Lakhs is repayable in 44 equal monthly installments ending in November 2022.
 - The loan of ₹ 211.27 Lakhs is repayable in 33 equal monthly installments ending in December 2021.
- (v) ₹ 20.64 lakhs secured by the way of Hypothecation of specific vehicle financed. The loan is repayable in 3 to 33 equal monthly installments. The said vehicle loan accounts are in the name of directors / erstwhile director of the Company or of entities that has since been amalgamated with the company in pursuance to the scheme of amalgamation.

16.03 Term loan from DSIR of ₹ 160.00 Lakhs and ₹ 80.00 lakhs included in current maturity of long term debts in note no 22 is covered by bank guarantees. The loan is repayable in 3 equal annual installments ending in July 2021.

16.04 Interest rates on above term loan ranges from 9.90% p.a to 13.75% p.a.

16.05 The Term loans referred to above are guaranteed by some of the directors, erstwhile directors and their relative in their personal capacities.

16.06 Fair valuation of first interest installment of the term loan from DSIR were deferred and payable, without interest, in five equal installment ending in July 2021.

16.07 Maturity profile of Term Loans is as under:

(₹ in Lakhs)

Financial Year	Amount	Financial Year	Amount	Financial Year	Amount
2019-2020	862.98	2026-2027	45.78	2033-2034	40.06
2020-2021	854.22	2027-2028	48.23	2034-2035	41.58
2021-2022	884.03	2028-2029	50.97	2035-2036	18.41
2022-2023	757.27	2029-2030	54.03	2036-2037	20.26
2023-2024	376.88	2030-2031	57.45	2037-2038	22.29
2024-2025	339.32	2031-2032	59.19	2038-2039	24.53
2025-2026	43.59	2032-2033	38.67	2039-2040	21.83

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

17 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Financial Guarantee Obligation	-	-	12.61	-
TOTAL	-	-	12.61	-

18 NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Provision for Gratuity	168.83	87.46	24.61	-
TOTAL	168.83	87.46	24.61	-

19 INCOME TAX

19.1 Current Tax

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Current Tax	688.39	641.42	97.86
MAT Credit Entitlement	-	(10.29)	-
Income Tax for Earlier Years	(0.13)	(6.64)	(0.72)
Total Current Tax	688.26	624.49	97.14

19.2 The major components of Tax Expense for the year ended 31st March, 2019, 31st March, 2018 and 31st March, 2017 are as follows:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Recognised in the Statement of Profit and Loss			
Current Tax (Refer Note No. 19.1)	688.26	624.49	97.14
Deferred Tax:-Relating to origination and reversal of temporary differences	95.79	(91.20)	10.80
Total Tax Expenses	784.05	533.29	107.94

19.3 Reconciliation between Tax Expense / (Income) and Accounting Loss multiplied by tax rate for the year ended 31st March, 2019, 31st March, 2018 and 31st March, 2017:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Accounting loss before tax	2,687.57	3,041.30	278.88
Applicable tax rate (in %)	27.82%	27.82%	33.06%
Computed Tax Expenses / (Income)	747.68	846.09	92.20

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

19.3 Reconciliation between Tax Expense / (Income) and Accounting Loss multiplied by tax rate for the year ended 31st March, 2019, 31st March, 2018 and 31st March, 2017:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Tax effect on account of:			
Property, Plant and Equipment	5.52	(341.96)	5.62
Expenses not allowed under Income Tax Act	33.60	36.24	8.90
Deduction allowed under Income Tax Act	(3.97)	(2.93)	(0.91)
Deduction under chapter VI A	(3.15)	(1.66)	(0.08)
Dividend Income	0.14	0.17	-
MAT Credit Entitlement	5.21	(9.29)	1.50
Non consideration of surcharge for MAT Credit	(3.18)	-	-
Rate Differences	2.06	-	-
Income Tax for Earlier Years	0.13	6.64	0.72
Income tax Expenses / (Income) recognised in the Statement of Profit and Loss	784.05	533.29	107.94

19.4 Deferred Tax Liabilities / (Assets) relates to the following :

(₹ in Lakhs)

Particulars	Balance Sheet				Statement of Profit and Loss		
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Property, Plant and Equipment and Intangible Assets	2,954.81	2,831.23	1,055.32	1,034.12	123.58	1,775.91	21.20
Financial Assets	-	-	5.21		-	(5.21)	5.21
Financial Liabilities			(1.57)		-	1.57	(1.57)
MAT Credit Entitlement	-	(5.21)	-	0.00	5.21	(5.21)	(0.00)
Items disallowed as per Income Tax Act, 1961	(176.62)	(125.64)	(22.87)	(9.67)	(50.98)	(102.77)	(13.20)
Pursuant to the scheme of Amalgamation (Refer Note No.33)	-	-	-	-	-	(1,756.11)	-
Deferred Tax Liabilities / (Assets)	2,778.19	2,700.38	1,036.09	1,024.45	77.81	(91.82)	11.64

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

19.5 Reconciliation of Deferred Tax Liabilities (Net):

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Opening Balance at the beginning of the year	2,700.38	1,036.09	1,024.45
Pursuant to the scheme of Amalgamation (Refer Note No.33)	-	1,756.11	-
Deferred Tax Expenses/(Income) recognised in the Statement of Profit and Loss	95.79	(91.20)	10.80
Deferred Tax Expenses/(Income) recognised in OCI	(17.98)	(0.62)	0.84
Closing Balance at the end of the year	2,778.19	2,700.38	1,036.09

20 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Secured				
Working Capital Rupee Loans from Banks	3,697.09	1,770.01	1,117.67	1,497.37
Unsecured				
Loans From Related Parties (Refer note no. 35)	50.17	11.75	311.13	197.05
Inter Corporate Deposits	45.33	138.62	328.92	940.91
	95.50	150.37	640.05	1,137.96
Buyer's Credits	-	184.91	158.82	-
TOTAL	3,792.59	2,105.29	1,916.54	2,635.33

20.1 The working capital Loans from banks includes:

- ₹ 1058.74 Lakhs secured by way of hypothecation of stocks & book-debts and further secured by collateral security of Plant & Machinery and Land & Building on plot no. M-6, MIDC, Additional Ambarnath Industrial Area, Ambarnath-421506, Maharashtra, India.
- ₹ 2638.35 Lakhs secured by Pari Passu Charge on all existing and future current assets / movable fixed assets and Collateral Security of 1) Premises no. 103, 1st floor, veena industrial premises Co-op soc. Ltd, Plot no. B-61, veera desai road, Andheri W, Mumbai 400058. 2) Unit no. 115, 1st floor, veena Industrial premises Co-op Soc Ltd, Plot no. B 61, 400058. 3) Unit no. 209B, 2nd floor, veena Industrial premises Co-op Soc Ltd, Plot no. B 61, 400058. 4) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 5) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076.

20.2 The Term loans referred to above are guaranteed by some of the directors, erstwhile directors and their relative in their personal capacities.

21 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Micro, Small and Medium Enterprises	727.51	39.88	-	-
Others	4,597.66	2,249.07	1,648.94	1,404.23
TOTAL	5,325.17	2,288.95	1,648.94	1,404.23

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

21.1 Disclosures of the Micro, Small And Medium Enterprises Development Act, 2006

Micro, Small and Medium Enterprises 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 :

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	727.51	39.88	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.26	-	-	-
(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	0.26	-	-	-
(vi) The amount of Further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-	-

22 CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Current Maturities of Long Term Debts	862.98	620.22	114.59	161.39
Interest Accrued and due	77.26	16.40	44.70	0.30
Creditors for Capital Goods	45.53	304.92	143.32	149.60
Financial Guarantee Obligations	-	-	2.10	-
Other Payables *	113.03	94.26	27.12	57.09
TOTAL	1,098.80	1,035.80	331.83	368.38

* Other Payables mainly includes outstanding liability for expenses and payable to employees.

23 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Advances from Customers	142.46	599.27	1,330.09	497.35
Statutory Liabilities	18.34	8.74	16.14	89.14
TOTAL	160.80	608.01	1,346.23	586.49

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

24 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Provision for Gratuity	15.05	11.28	2.52	-
Provision for Stamp Duty	-	35.00	-	-
TOTAL	15.05	46.28	2.52	-

25 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Sale of Products	14,987.34	14,573.33	4,905.63
Sale of Services / Job Work Income	452.60	352.29	227.85
TOTAL	15,439.94	14,925.62	5,133.48

25.1 Sale of products up to 30th June 2017 includes Excise Duty, which is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST). GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year is not comparable with the previous year.

25.2 Revenue Disaggregation by type of Products and Services as follows :

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Heavy Engineering	6,011.12	3,564.33	5,133.48
Defence Electronics	4,686.47	7,233.68	-
Defence & Space Optics	4,742.35	4,127.61	-
TOTAL	15,439.94	14,925.62	5,133.48

25.3 Revenue disaggregation by geography is as follows:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
India	13,905.17	8,235.95	4,934.45
Outside India	1,534.77	6,689.67	199.03
TOTAL	15,439.94	14,925.62	5,133.48

25.4 Reconciliation of Revenue from Operations with Contract Price:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Contract Price	15,442.18	14,925.62	5,192.77
Reduction towards variables considerations components *	2.24	-	59.29
TOTAL	15,439.94	14,925.62	5,133.48

* The reduction towards variable consideration comprises of volume discounts, quality claims, brokerage, etc.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

26 OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Interest Income from Financial assets measured at amortised cost			
On fixed Deposits with Banks	12.34	30.31	10.75
On others	4.15	-	0.87
Dividend Income	0.50	0.60	-
Profit on Sale of Property, Plant and Equipment (Net)	-	5.00	-
Gain on Foreign Currency Fluctuations (Net)	122.10	69.75	15.84
Export Incentives	128.84	215.30	-
Guarantee Commission	-	-	1.05
Miscellaneous Income	9.45	6.67	0.75
TOTAL	277.38	327.63	29.26

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Closing Inventories			
Finished Goods	1,065.28	1,170.94	-
Work-in-Progress	2,475.74	1,206.11	2,010.45
	3,541.02	2,377.05	2,010.45
Opening Inventories			
Finished Goods	1,170.94	-	-
Work-in-Progress	1,206.11	2,010.45	1,932.54
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 33)	-	599.33	-
	2,377.05	2,609.78	1,932.54
Less : Capitalised as Property, Plant and Equipment	-	(1,881.50)	-
	2,377.05	728.28	1,932.54
(Increase) / Decrease in Inventories	(1,163.97)	(1,648.77)	(77.91)

28 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Salaries, Wages & Allowances	812.14	608.05	137.83
Contribution to Provident and Other Funds	31.82	33.76	29.55
Welfare and Other Amenities	53.78	44.27	18.45
TOTAL	897.74	686.08	185.83

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

28.1 As per Ind AS - 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Ind AS are given below :

(₹ in Lakhs)

Particulars	2018-19	2017-18	2016-17
(a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under			
Employer's Contribution to Provident Fund and ESIC	8.43	7.23	-

(b) Defined Benefit Plan - Unfunded

The employees Gratuity Fund Scheme of the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Actuarial Assumptions			
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Salary growth	7.50%	7.50%	7.50%
Discount rate	7.76%	7.86%	7.41%
Withdrawal Rate	2.50%	2.50%	2.50%

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Movement in present value of Defined Benefit Obligation			
Defined Benefit Obligations at the beginning of the year	98.74	27.13	-
Current Service Cost	15.47	11.13	4.58
Interest Cost	7.93	5.46	1.95
Actuarial Loss / (Gain)	61.74	(2.20)	(2.52)
Acquisition/ business Combination / Divestiture	-	42.98	-
Past Service Cost	-	14.24	23.12
Defined Benefit Obligations at the end of the year	183.88	98.74	27.13
Expense recognised in the Statement of Profit and Loss			
Current Service Cost	15.47	11.13	4.58
Interest on Defined Benefit Obligations	7.93	5.46	1.95
Past Service Cost	-	14.24	23.12
Total included in "Remuneration and Benefits to Employees"	23.39	30.84	29.65
Remeasurements (recognised in Other Comprehensive Income)			
Effect of changes in financial assumptions	1.76	(7.02)	1.26
Effect of experience adjustments	59.98	4.82	(3.78)
Amount recognised in OCI, End of Year	61.74	(2.20)	(2.52)

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

(c) Net Defined Benefit Obligations / (Assets) reconciliation

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Present Value of Obligations at the end of the year	183.88	98.74	27.13
Less : Fair Value of Plan Assets at the end of the year	-	-	-
Net Obligations / (Assets) recognised at the end of the year	183.88	98.74	27.13

- (d) 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.

28.2 Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
	Effect on Gratuity Increase / (Decrease)		
Discount Rate + 100 basis points	(14.68)	(7.88)	(1.96)
Discount Rate - 100 basis points	16.49	8.85	2.38
Salary Escalation Rate + 100 basis points	6.35	3.41	0.87
Salary Escalation Rate - 100 basis points	(5.48)	(2.95)	(0.79)
Withdrawal Rate+100 basis points	6.39	-	-
Withdrawal Rate-100 basis points	(5.71)	-	-

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 recognised in the balance sheet.

28.3 Expected payments towards contributions to Gratuity in future years :

(₹ in Lakhs)

Year Ended	Expected Payment
31st March, 2020	15.62
31st March, 2021	12.93
31st March, 2022	8.24
31st March, 2023 to 2027	19.32
31st March, 2024 to 2028	7.49
31st March, 2025 to 31st March, 2029	75.08

28.4 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

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Discount rate

In case the yield on the government bonds drops in the future period then it may result in increase in the liability.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (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

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase in the liability.

29 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Interest	890.97	557.88	301.16
Other Borrowing Costs	47.55	177.75	70.85
TOTAL	938.52	735.63	372.01

29.1 Above includes, Interest of ₹ 126.64 lakhs (Previous Year ₹ 19.92 lakhs) on late payment of Advance Tax.

30 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	891.16	644.59	168.76
Amortisation of Intangible Assets (Refer Note No. 3)	49.39	23.53	0.08
TOTAL	940.55	668.12	168.84

31 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
MANUFACTURING EXPENSES			
Consumables, Stores and Spares Consumed	157.16	-	-
Power and Fuel	218.26	164.88	53.93
Labour Charges	308.50	453.36	372.66
Repairs and Maintenance -			
Plant and Equipment	0.19	-	-
Others	16.94	26.01	3.55
Technical Services	17.73	33.87	28.35
Other Manufacturing Expenses	30.99	56.45	-
	749.77	734.57	458.49
SELLING AND DISTRIBUTION EXPENSES			
Advertisement and Business Promotion	206.96	110.50	19.58
Late Delivery charges	62.78	63.61	12.32
Packing & Forwarding Expenses	14.01	8.96	9.03
Others	17.47	13.77	10.59
	301.22	196.84	51.52

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
ADMINISTRATIVE EXPENSES			
Insurance	6.60	17.21	7.15
Rent	23.27	14.24	2.09
Rates and Taxes	45.28	36.32	15.43
Printing and Stationery	11.89	9.20	3.10
Communication Expenses	10.12	12.52	6.59
Travelling and Conveyance	269.10	225.69	88.69
Legal and Professional Charges	123.32	130.68	19.10
Payment to Auditors (Refer Note no. 31.1)	20.00	3.55	1.30
Security Expenses	16.81	16.02	5.05
Office Expenses	29.54	67.61	16.41
Stamp Duty	-	35.45	16.59
Director Sitting fees	11.00	-	-
Miscellaneous Expenses	72.36	75.68	18.81
	639.29	644.17	200.31
OTHER EXPENSES			
Bank Charges	36.56	-	-
Bad Debts / Advances written off	42.16	61.71	5.11
Provision for Expected Credit Loss	66.77	22.84	12.82
Donation	0.75	13.17	0.62
Corporate Social Responsibility Expenditure (Refer Note No. 36)	22.61	-	-
Loss on discard of Property, Plant and Equipment	5.39	-	-
	174.24	97.72	18.55
TOTAL	1,864.52	1,673.30	728.87

31.1 Break-up of Payment to Auditors :

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Audit Fees	16.00	2.50	0.75
Tax Audit Fees	4.00	1.05	0.55
TOTAL	20.00	3.55	1.30

32 EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Basic Earnings Per Share			
Profit for the year	1,903.53	2,508.01	170.94
Weighted average number of Equity Shares (Nos.)	56,22,808	55,82,534	50,10,000
Basic Earnings Per Share of ₹ 10/- each	33.85	44.93	3.41

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

32 EARNINGS PER SHARE (CONTD.)

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Diluted Earnings Per Share			
Amount available for calculation of Diluted EPS	1,903.53	2,508.01	170.94
Weighted average number of Equity Shares (Nos.)	56,22,808	55,82,534	50,10,000
Add : Potential number of Equity Shares	38,521	-	-
No. of shares used for calculation of Diluted EPS	56,61,329	55,82,534	50,10,000
Diluted Earnings Per Share of ₹ 10/- each	33.62	44.93	3.41

33 AMALGAMATION SCHEMES IN PREVIOUS FINANCIAL YEAR

National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated 7th June, 2018 approved the schemes of amalgamation (the "schemes") amongst Mechvac India Limited ("the Mechvac"), Concept Shapers & Electronics Private Limited ("the Concept") and Paras Defence & Space Technologies Limited ("Paras") ("Transferee Company"/"the Company"). The Schemes became effective from 25th June, 2018, being the date of filing the NCLT order with the Registrar of Companies. The appointed date as per the approved Scheme was 1st April, 2017 and accordingly the Company has given the effect of amalgamation in the financial statements for the year ended 31st March, 2018. Since the Mechvac and the Concept are under the common control of the Company, the Company has considered the method of accounting as per Appendix C of Ind AS 103 "Business Combination" in the transition to Ind AS. The figures for the year ended 31st March, 2017 and of the Ind AS transition date as at 1st March, 2016 are not comparable with the figures, after amalgamation, for the year ended 31st March, 2018 and 31st March, 2019.

34 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
A Contingent Liabilities (to the extent not provided for)				
I GUARANTEES				
Guarantees given by the Company's Bankers	1,719.72	1,403.35	683.23	592.17
(Bank guarantees are provided under contractual / legal obligation)				
Corporate Guarantee	-	-	3,500.00	-
(Given to Banks against the borrowings taken by one of the Subsidiary Company)				
TOTAL	1,719.72	1,403.35	4,183.23	592.17
II LETTER OF CREDIT OUTSTANDING				
Letters of Credit opened in favour of Suppliers	111.34	53.30	-	-
TOTAL	111.34	53.30	-	-
B Capital Commitments :				
Estimated amount of contracts to be executed on capital account not provided for	-	148.94	76.93	-
Commitment towards EPCG License	561.28	1,314.24	733.95	-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

35 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 years, are as detail below:

List of Related Parties :

(As certified by the Management)

I Subsidiary

- i Holland Shielding Systems (India) Private Limited (w.e.f. 12th March, 2018)
- ii Paras Aerospace Solutions Private Limited (w.e.f. 13th February, 2019)
- iii Paras Green Optics Private Limited (w.e.f. 29th October, 2018)
- iv Paras Strategic Technologies Private Limited (w.e.f. 25th February, 2019)
- v Paras Space Technologies PTE Ltd. (w.e.f. 2nd January, 2019)
- vi Concept Shapers and Electronics Private Limited (upto 31st March, 2017)
- vii Mechvac India Limited (upto 31st March, 2017)

II Key Managerial Personnel

- i Mr. Sharad Shah
- ii Mr. Munjal Sharad Shah
- iii Mrs. Shilpa Amit Mahajan (w.e.f. 25th June, 2018)
- iv Mr. Prasantamadhab Barua (From 20th August, 2018 to 3rd November, 2018)
- v Mrs. Mansi Sharma (From 20th August, 2018 to 1st March, 2019)
- vi Mrs. Ami Munjal Shah (upto 25th September, 2018)

III Key Managerial Personnel Relatives

- i Mrs. Ami Munjal Shah
- ii Mrs. Niranjana Shah
- iii Mr. Harsh Bhansali
- iv Mrs. Kaajal Bhansali
- v Mr. Anish Mehta
- vi 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 Remy Entertainment & Banquets Private Limited

A Transactions with Related Parties :

		(₹ in Lakhs)		
Nature of Transactions	Name of the Related Parties	2018-19	2017-18	2016-17
Transactions with Subsidiaries:				
Investment in Shares	Holland Shielding Systems (India) Private Limited	-	1.00	-
	Paras Aerospace Solutions Private Limited	1.00	-	-
	Paras Green Optics Private Limited	1.00	-	-
	Paras Strategic Technologies Private Limited	1.00	-	-
	Paras Space Technologies PTE Limited	0.05	-	-

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

35 RELATED PARTY DISCLOSURES : (CONTD.)

		(₹ in Lakhs)		
Nature of Transactions	Name of the Related Parties	2018-19	2017-18	2016-17
Loan to Subsidiaries	Holland Shielding Systems (India) Private Limited	5.07	-	-
	Paras Aerospace Solutions Private Limited	0.12	-	-
	Paras Green Optics Private Limited	4.34	-	-
	Paras Strategic Technologies Private Limited	0.04	-	-
	Paras Space Technologies PTE Limited	2.12	-	-
Loan Recovered From Subsidiaries	Holland Shielding Systems (India) Private Limited	5.00	-	-
	Paras Green Optics Private Limited	4.19	-	-
Interest Income	Holland Shielding Systems (India) Private Limited	0.35	-	-
	Paras Aerospace Solutions Private Limited	0.00	-	-
	Paras Green Optics Private Limited	0.02	-	-
	Paras Strategic Technologies Private Limited	0.00	-	-
	Paras Space Technologies PTE Limited	0.00	-	-
Commission Income on Corporate Guarantee	Mechvac India Limited	-	-	1.05
Advance from Customer	Concept Shapers & Electronics Private Limited	-	-	101.38
	Mechvac India Limited	-	-	1,501.18
Sale of Products	Concept Shapers & Electronics Private Limited	-	-	101.86
	Mechvac India Limited	-	-	1,662.25
Purchases	Concept Shapers & Electronics Private Limited	-	-	39.34
Advance return back on the cancellation of contract	Concept Shapers & Electronics Private Limited	-	-	96.37
	Mechvac India Limited	-	-	440.05
Transactions with other Related Parties:				
Advance Against Property	Mr. Sharad Shah	-	-	539.09
	Mr. Munjal Sharad Shah	146.00	-	-
Advance return back on the cancellation of contract	Mr. Sharad Shah	-	-	527.96
	Mr. Munjal Sharad Shah	146.00	-	-
Director Sitting Fees	Mr. Sharad Shah	7.00	-	-
Managerial Remuneration	Mr. Munjal Sharad Shah	39.00	18.00	15.00
	Mrs. Shilpa Amit Mahajan	12.00	-	-
	Mr. Sharad Shah	9.00	18.00	15.00
	Mrs. Ami Munjal Shah	7.50	15.00	12.00
	Mrs. Mansi Sharma	3.44	-	-
	Mr. Prasanta Barua	5.89	-	-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

35 RELATED PARTY DISCLOSURES : (CONTD.)

(₹ in Lakhs)

Nature of Transactions	Name of the Related Parties	2018-19	2017-18	2016-17
Salary to relatives	Mr. Harsh Bhansali	12.00	12.15	12.15
	Mrs. Kaajal Bhansali	10.50	9.15	9.15
	Mrs. Ami Munjal Shah	15.00	-	-
	Mr. Amit Mahajan	12.00	-	-
	Mr. Anish Mehta	3.35	3.47	3.47
Loans Taken	Mr. Munjal Sharad Shah	293.00	463.50	-
	Mr. Sharad Shah	63.58	293.40	-
Loans Repaid	Mr. Munjal Sharad Shah	298.38	763.89	-
	Mr. Sharad Shah	18.68	293.40	-
	Mrs. Ami Munjal Shah	1.10	-	-

(₹ in Lakhs)

Name of the Related Parties	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
B Balances with Subsidiary Companies:				
Investment				
Concept Shapers & Electronics Private Limited	-	-	1.48	1.48
Mechvac India Limited	-	-	890.68	874.92
Holland Shielding Systems (India) Private Limited	1.00	1.00	-	-
Paras Aerospace Solutions Private Limited	1.00	-	-	-
Paras Green Optics Private Limited	1.00	-	-	-
Paras Strategic Technologies Private Limited	1.00	-	-	-
Paras Space Technologies PTE Ltd.	0.05	-	-	-
Other Current Financial Assets - Receivables				
Holland Shielding Systems(India) Private Limited	0.42	-	-	-
Paras Aerospace Solutions Private Limited	0.12	-	-	-
Paras Green Optics Private Limited	0.17	-	-	-
Paras Strategic Technologies Private Limited	0.04	-	-	-
Paras Space Technologies PTE Ltd.	2.14	-	-	-
Trade Receivables				
Mechvac India Limited	-	-	576.29	-
Concept Shapers & Electronics Private Limited	-	-	30.84	61.17
Trade Payables				
Mechvac India Limited	-	-	736.81	501.69
Concept Shapers & Electronics Private Limited	-	-	-	50.50
Corporate Guarantee				

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

35 RELATED PARTY DISCLOSURES : (CONTD.)

(₹ in Lakhs)

Name of the Related Parties	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Mechvac India Limited	-	-	3,500.00	-
Other Current Liabilities Advance from Customers				
Mechvac India Limited	-	-	1,162.64	101.51
Concept Shapers & Electronics Private Limited	-	-	135.31	130.31
Balance with other Related Parties:				
Current-Borrowings - Loan				
Mr. Munjal S. Shah	5.27	10.65	310.03	184.18
Mr. Sharad Virji Shah	44.90	-	-	11.13
Mrs. Ami Munjal Shah	-	1.10	1.10	1.10
Other Non current Assets- Capital Advances				
Mr. Sharad Shah	-	-	-	0.23
Other Payables (Salary Payable)				
Mr. Munjal S. Shah	0.88	1.13	-	10.02
Mr. Sharad Virji Shah	2.79	2.40	0.10	19.67
Mrs. Ami Munjal Shah	2.18	2.52	0.82	10.39
Mrs. Shilpa Mahajan	0.49	-	-	-
Mr. Harsh Bhansali	1.84	0.43	1.30	-
Mrs. Kaajal Bhansali	4.23	6.77	9.07	0.71
Mr. Amit Mahajan	0.82	-	-	-
Mr. Anish Mehta	0.28	0.28	0.28	0.28

(₹ in Lakhs)

C. Compensation to Key Management Personnel of the Company	2018-19	2017-18	2016-17
Nature of transaction			
Short-term employee benefits	76.83	51.00	42.00
Post-employment benefits	8.64	10.86	-
Total compensation to Key Management Personnel	85.47	61.86	42.00

36 EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII.

- CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 22.47 lakhs.
- Expenditure incurred related to Corporate Social Responsibility is ₹ 22.61 Lakhs.

Details of Expenditure incurred towards CSR given below:

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Environmental Sustainability	18.76	-	-
Health Care, Sanitation and providing Drinking Water	3.34	-	-
Promotion and Development of Traditional Art and Culture, Community Welfare	0.51	-	-
TOTAL	22.61	-	-

37 FAIR VALUES**37.1 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 financial statements.

a) Financial Assets / Liabilities measured at Fair Value:-

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Financial Assets designated at Fair Value through profit and loss:-				
- Investments	5.00	5.00	5.00	5.00

b) Financial Assets / Liabilities designated at Amortised Cost:-

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :								
Financial Assets designated at Amortised Cost:-								
- Trade Receivable	8,322.72	8,322.72	2,529.36	2,529.36	1,098.95	1,098.95	556.88	556.88
- Cash and cash equivalents	12.34	12.34	36.25	36.25	2.36	2.36	382.29	382.29
- Bank Balance other than Cash and Cash Equivalents	167.83	167.83	229.20	229.20	99.93	99.93	32.11	32.11
- Loans	18.02	18.02	8.00	8.00	1.25	1.25	-	-
- Others	93.72	93.72	137.35	137.35	69.40	69.40	51.83	51.83
TOTAL	8,614.63	8,614.63	2,940.16	2,940.16	1,271.89	1,271.89	1,023.11	1,023.11
Financial Liabilities :								
Financial Liabilities designated at Amortised Cost:-								
- Borrowings	7,624.61	7,624.61	6,015.82	6,015.82	2,802.92	2,802.92	3,305.36	3,305.36
- Trade Payable	5,325.17	5,325.17	2,288.95	2,288.95	1,648.94	1,648.94	1,404.23	1,404.23
- Other Financial Liabilities	1,098.80	1,098.80	1,035.80	1,035.80	344.44	344.44	368.38	368.38
TOTAL	14,048.58	14,048.58	9,340.57	9,340.57	4,796.30	4,796.30	5,077.97	5,077.97

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

37 FAIR VALUES (CONTD.)

37.2 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 Secured Non-current Borrowings is 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.

37.3 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	31st March, 2019		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments #	-	-	5.00

Particulars	31st March, 2018		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments #	-	-	5.00

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

37 FAIR VALUES (CONTD.)

Particulars	31st March, 2017		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments #	-	-	5.00

Particulars	01st April, 2016		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments #	-	-	5.00

since the investments under level 3 category are not material, so the disclosure for the same is not given.

38 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES

The Company is exposed to market risk, credit risk and liquidity 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.

38.1 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 three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The sensitivity analysis relate to the position as at 31st March, 2019 and 31st March, 2018 and 31st March, 2017.

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. 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, EURO, GBP, SGD 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:

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

38 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (CONTD.)

Unhedged Foreign currency exposure as at 31st March, 2019	Currency	Amount in FC	₹ in lakhs
Trade Receivable	USD	6,70,240	463.50
Trade Payable	USD	8,71,418	602.63
Trade Payable	EURO	12,972	10.08
Trade Payable	SGD	800	0.41
Trade Payable	GBP	8,967	8.12

Unhedged Foreign currency exposure as at 31st March, 2018	Currency	Amount in FC	₹ in lakhs
Trade Receivable	USD	20,51,086	1,334.03
Trade Payable	USD	2,25,670	146.78
Trade Payable	GBP	2,306	2.13
Trade Payable	SGD	595	0.30

The company doesn't have any foreign currency exposure as at 31st March 2017 and 1st April 2016.

(a) Foreign Currency Sensitivity

2% increase or decrease in foreign exchange rates will have the following impact on Profit Before Tax (PBT):-

(₹ in Lakhs)

Particulars	2018-19		2017-18	
	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)
USD	(2.78)	2.78	23.75	(23.75)
EURO	(0.20)	0.20	-	-
GBP	(0.16)	0.16	(0.04)	0.04
SGD	(0.01)	0.01	(0.01)	0.01
Increase / (Decrease) in Profit Before Tax	(3.15)	3.15	23.70	(23.70)

(b) Interest Rate Risk and Sensitivity :-

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is having non current borrowings in the form of term loan . Also, the Company is having current borrowings in the form of working capital, suppliers credit and inter corporate deposits. There is a fixed rate of interest in case of supplier credit, vehicle loan and inter corporate deposits and hence, there is no interest rate risk associated with these borrowings. The Company is exposed to interest rate risk associated with term loan and working capital facility due to floating rate of interest.

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.

(₹ in Lakhs)

Particulars	2018-19		2017-18		2016-17	
	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)
Working Capital Facility	(73.94)	73.94	(35.40)	35.40	(22.35)	22.35
Term Loan From Banks	(85.07)	85.07	(79.02)	79.02	(11.70)	11.70
Increase / (Decrease) in Profit Before Tax	(159.01)	159.01	(114.42)	114.42	(34.06)	34.06

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

38.2 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 summarises the Gross carrying amount of the trade receivable and provision made.

(₹ in Lakhs)

Particulars	31st March, 2019		31st March, 2018		31st March, 2017	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	8,687.23	364.51	2,827.10	297.74	1,141.01	42.06

The following table summarises the changes in the Provisions made for the receivables:

(₹ in Lakhs)

Particulars	31st March, 2019	31st March, 2018	31st March, 2017
Opening Balances	297.74	42.06	29.23
Pursuant to scheme of amalgamation	-	232.84	-
Provided during the year	66.77	22.84	12.82
Closing Balances	364.51	297.74	42.06

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.

38.3 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 suppliers credit and 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.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

38 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (CONTD.)

The below table summaries the maturity profile of the Company's financial liability :

(₹ in Lakhs)

Particulars	Maturity				Total
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	
As at 31st March, 2019					
Non Current Borrowings	-	-	2,905.84	926.18	3,832.02
Short Term Borrowings	3,792.59	-	-	-	3,792.59
Trade Payable	-	5,325.17	-	-	5,325.17
Other Financial Liabilities	-	1,098.80	-	-	1,098.80
Total	3,792.59	6,423.98	2,905.84	926.18	14,048.58
As at 31st March, 2018					
Non Current Borrowings	-	-	2,856.11	1,063.70	3,919.82
Short Term Borrowings	1,920.38	184.91	-	-	2,105.29
Trade Payable	-	2,288.95	-	-	2,288.95
Other Financial Liabilities	-	1,035.80	-	-	1,035.80
Total	1,920.38	3,509.66	2,856.11	1,063.70	9,349.86
As at 31st March, 2017					
Non Current Borrowings	-	-	468.15	418.23	886.38
Other Non Current Financial Liabilities	-	-	12.61	-	12.61
Short Term Borrowings	1,757.72	158.82	-	-	1,916.54
Trade Payable	-	1,648.94	-	-	1,648.94
Other Financial Liabilities	-	331.83	-	-	331.83
Total	1,757.72	2,139.59	480.76	418.23	4,796.30
As 1st April, 2016					
Non Current Borrowings	-	-	459.36	210.67	670.03
Short Term Borrowings	2,635.33	-	-	-	2,635.33
Trade Payable	-	1,404.23	-	-	1,404.23
Other Financial Liabilities	-	368.38	-	-	368.38
Total	2,635.33	1,772.60	459.36	210.67	5,077.96

38.4 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.

39 CAPITAL RISK MANAGEMENT

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and 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 and current debts as reduced by cash and cash equivalents, other bank balances, non current bank deposits. Equity comprises all components including other comprehensive income.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

39 CAPITAL RISK MANAGEMENT (CONTD.)

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Total Debt	8,487.59	6,636.04	2,917.51	3,466.75
Less: Cash and cash equivalent	12.34	36.25	2.36	382.29
Less: Other Bank Balances	167.83	229.20	99.93	32.11
Less: Non current Bank Deposits	42.43	78.97	24.74	42.60
Net Debt	8,264.99	6,291.62	2,790.49	3,009.75
Equity	15,243.14	12,383.37	2,454.71	2,282.09
Total Capital (Equity + Net Debts)	23,508.13	18,674.99	5,245.20	5,291.84
Gearing ratio	35.16%	33.69%	53.20%	56.88%

40 FIRST TIME ADOPTION OF IND AS

40.1 Basis of Preparation :

For all period up to the year ended 31st March, 2018, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian/Previous GAAP). These financial statements for the year ended 31st March, 2019 are the Company's first annual Ind AS financial statements and have been prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements, which comply with Ind AS, applicable for periods beginning on or after 1st April, 2016 as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at 1st April, 2016 and its previously published Indian GAAP financial statements for the year ended 31st March, 2018 and 31st March, 2017.

40.2 Exemptions Applied" :

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- 1) Determining whether an arrangement contains a Lease:-** The Company has opted to apply the Appendix C of Ind AS 17 - Determining whether an Arrangement contains a Lease, to determine whether the arrangements existing as on the transition date contains a lease, on the basis of facts and circumstances existing as at the transition date.
- 2) Fair value measurement of Financial Assets and Financial Liabilities:-** Fair value measurement of Financial Assets and Financial Liabilities at initial recognition:- Financial Assets and Liabilities are initially recognised at Transaction Price and subsequently measured at Amortised Cost, FVTOCI or FVTPL as applicable less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.
- 3) Business Combination exception:-** The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combination" to business combinations consummated prior to April 01, 2016 (the transition date), pursuant to which General Reserve arising from a business combination has been stated at the Carrying amount prior to transition date under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisition of subsidiaries consummated prior to the transition date.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

40 FIRST TIME ADOPTION OF IND AS (CONTD.)

4) Fair value as deemed cost exemption:- The Company has elected to measure items of property, plant and equipment and intangible assets at its fair value at the transition date as deemed cost.

5) Investment in Subsidiaries:- The Company has selected to measure investments in subsidiaries at cost.

40.3 Mandatory Exceptions Applied:

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

1) Estimates:- The Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP except where Ind AS required a different basis for estimates as compared to the Indian GAAP.

2) Classification and measurement of Financial Assets:- The Company has the financial assets in accordance with Ind AS 109 "Financial Instruments" on the basis of facts and circumstances that exist at the date of transition to Ind AS.

41 DETAILS OF LOAN GIVEN, INVESTMENT MADE AND CORPORATE GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Investment Made				
Holland Shielding Systems (India) Private Limited	1.00	1.00	-	-
Paras Aerospace Solutions Private Limited	1.00	-	-	-
Paras Green Optics Private Limited	1.00	-	-	-
Paras Strategic Technologies Private Limited	1.00	-	-	-
Mechvac India Limited	-	-	890.68	874.92
Concept Shapers & Electronics Private Limited	-	-	1.48	1.48
Loan to Subsidiaries Company				
Holland Shielding Systems (India) Private Limited	0.42	-	-	-
Paras Aerospace Solutions Private Limited	0.12	-	-	-
Paras Green Optics Private Limited	0.17	-	-	-
Paras Strategic Technologies Private Limited	0.04	-	-	-
Paras Space Technologies PTE Limited	2.14	-	-	-
Corporate Guarantee	-	-	3,500.00	-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

42 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS)

42.1 Balance Sheet as at 1st April, 2016

(₹ in Lakhs)

Particulars	Indian GAAP	Adjustments	Ind AS
I. ASSETS			
1) Non Current Assets			
(a) Property, Plant and Equipment	4,075.99	235.63	4,311.62
(b) Intangible Assets	0.14	-	0.14
(c) Financial Assets			
(i) Investments	881.40	-	881.40
(ii) Others Financial Assets	42.60	-	42.60
(d) Other Non Current Assets	72.84	-	72.84
2) Current Assets			
(a) Inventories	2,334.75	-	2,334.75
(b) Financial Assets			
(i) Trade Receivables	586.11	(29.23)	556.88
(ii) Cash and Cash Equivalents	382.29	-	382.29
(iii) Bank Balances other than (ii) above	32.11	-	32.11
(iv) Others	-	9.23	9.23
(c) Other Current Assets	356.09	-	356.09
TOTAL ASSETS	8,764.32	215.63	8,979.95
EQUITY			
(a) Equity Share Capital	501.00	-	501.00
(b) Other Equity	2,462.91	(681.82)	1,781.09
LIABILITIES			
1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	670.03	-	670.03
(b) Deferred Tax Liabilities (Net)	127.30	897.15	1,024.45
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2,635.33	-	2,635.33
(ii) Trade Payables			
Total Outstanding dues of Micro enterprises and small enterprises	-	-	-
Total Outstanding dues of creditors other than Micro enterprises and small enterprises	1,404.23	-	1,404.23
(iii) Other Financial Liabilities	368.08	0.30	368.38
(b) Other Current Liabilities	586.49	-	586.49
(c) Current Tax Liabilities (Net)	8.95	-	8.95
TOTAL EQUITY AND LIABILITIES	8,764.33	215.63	8,979.95

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

42 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)

42.2 Balance Sheet as at 31st March, 2017

(₹ in Lakhs)			
Particulars	Indian GAAP	Adjustments	Ind AS
I. ASSETS			
1) Non Current Assets			
(a) Property, Plant and Equipment	4,194.88	252.61	4,447.49
(b) Intangible Assets	0.08	(0.02)	0.06
(C) Financial Assets			
(i) Investments	881.40	15.76	897.16
(ii) Other Financial Assets	24.74	-	24.74
(d) Other Non Current Assets	480.47	-	480.47
2) Current Assets			
(a) Inventories	2,476.12	-	2,476.12
(b) Financial Assets			
(i) Trade Receivables	1,141.01	(42.06)	1,098.95
(ii) Cash and Cash Equivalentents	2.36	-	2.36
(iii) Bank Balances other than (ii) above	99.93	-	99.93
(iv) Loan	1.25	-	1.25
(v) Others	0.57	44.09	44.66
(c) Other Current Assets	174.33	-	174.33
TOTAL ASSETS	9,477.13	270.39	9,747.51
EQUITY			
(a) Equity Share Capital	501.00	-	501.00
(b) Other Equity	2,665.94	(712.23)	1,953.71
LIABILITIES			
1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	896.35	(9.97)	886.38
(ii) Other Financial Liabilities	-	12.61	12.61
(b) Provisions	-	24.61	24.61
(c) Deferred Tax Liabilities (Net)	130.05	906.04	1,036.09
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,916.54	-	1,916.54
(ii) Trade Payables			
Total Outstanding dues of Micro enterprises and small enterprises	-	-	-
Total Outstanding dues of creditors other than Micro enterprises and small enterprises	1,648.94	-	1,648.94
(iii) Other Financial Liabilities	285.03	46.80	331.83
(b) Other Current Liabilities	1,346.23	-	1,346.23
(c) Provisions	-	2.52	2.52
(d) Current Tax Liabilities (Net)	87.05	-	87.05
TOTAL EQUITY AND LIABILITIES	9,477.13	270.39	9,747.51

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

42 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)**42.3 Statement of Profit and Loss for the year ended 31st March, 2017**

(₹ in Lakhs)

Particulars	Indian GAAP	Adjustments	Ind AS
Revenue from Operations	5,133.48	-	5,133.48
Other Income	28.21	1.05	29.26
Total Income	5,161.69	1.05	5,162.74
Expenses			
Cost of Materials Consumed	3,064.12	-	3,064.12
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	(77.91)	-	(77.91)
Excise Duty and Service Tax	442.10	-	442.10
Employee Benefits Expense	156.18	29.65	185.83
Finance Costs	372.45	(0.43)	372.01
Depreciation and Amortisation Expense	185.80	(16.96)	168.84
Other Expenses	716.05	12.82	728.87
Total Expenses	4,858.80	25.08	4,883.86
Profit/Loss Before Exceptional Items and Tax	302.89	(24.03)	278.88
Exceptional Items			-
Profit/Loss Before Tax	302.89	(24.03)	278.88
Tax Expenses :			
Current Tax	97.86	-	97.86
Deferred Tax	2.75	8.05	10.80
Income Tax for Earlier Years	(0.72)	-	(0.72)
	99.89	8.05	107.94
Profit/(Loss) for the Year	203.00	(32.08)	170.94
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement (Gains) / Losses on Defined Benefit Plans	-	(2.52)	(2.52)
Tax Effect on above	-	0.83	0.83
Items that will be reclassified to profit or loss	-	-	-
Total Other Comprehensive Income (Net of Tax)	-	(1.68)	(1.68)
Total Comprehensive Income for the Year (9-10)	203.00	(30.39)	172.62

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

42 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)

42.4 Balance Sheet as at 31st March, 2018

(₹ in Lakhs)

Particulars	Indian GAAP	Adjustments	Ind AS
I. ASSETS			
1) Non Current Assets			
(a) Property, Plant and Equipment	15,116.21	1,857.71	16,973.92
(b) Capital Work in Progress	120.68	-	120.68
(c) Intangible Assets	122.66	39.67	162.33
(d) Financial Assets			
(i) Investments	6.00	-	6.00
(ii) Other Financial Assets	78.97	-	78.97
(e) Other Non Current Assets	156.60		156.60
2) Current Assets			
(a) Inventories	4,379.37	-	4,379.37
(b) Financial Assets			
(i) Trade Receivables	2,827.10	(297.74)	2,529.36
(ii) Cash and Cash Equivalents	36.25	-	36.25
(iii) Bank Balances other than (ii) above	229.20	-	229.20
(iv) Loans	8.00		8.00
(iv) Others	0.50	57.88	58.38
(d) Other Current Assets	940.81	-	940.81
TOTAL ASSETS	24,022.35	1,657.51	25,679.88
EQUITY			
(a) Equity Share Capital	558.25	-	558.25
(b) Other Equity	12,375.32	(550.20)	11,825.12
LIABILITIES			
1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3,868.05	42.48	3,910.53
(b) Provisions	87.46	-	87.46
(c) Deferred Tax Liabilities (Net)	551.54	2,148.84	2,700.38
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2,105.29	-	2,105.29
(ii) Trade Payables			
Total Outstanding dues of Micro enterprises and small enterprises	-	-	-
Total Outstanding dues of creditors other than Micro enterprises and small enterprises	2,288.96	-	2,288.96
(iii) Other Financial Liabilities	1,019.41	16.40	1,035.80
(b) Other Current Liabilities	608.01	-	608.01
(c) Provisions	46.28	-	46.28
(d) Current Tax Liabilities (Net)	513.81	-	513.81
TOTAL EQUITY AND LIABILITIES	24,022.38	1,657.51	25,679.89

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

42 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)**42.5 Statement of Profit and Loss for the year ended 31st March, 2018**

(₹ in Lakhs)

Particulars	Indian GAAP	Adjustments	Ind AS
Revenue from Operations	14,925.62	-	14,925.62
Other Income	327.63	-	327.63
Total Income	15,253.25	-	15,253.25
Expenses			
Cost of Materials Consumed	9,480.54	-	9,480.54
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	(1,648.77)	-	(1,648.77)
Excise Duty and Service Tax	617.05	-	617.05
Employee Benefits Expense	758.29	(72.22)	686.08
Finance Costs	715.74	19.89	735.63
Depreciation and Amortisation Expense	694.39	(26.26)	668.12
Other Expenses	1,650.46	22.84	1,673.30
Total Expenses	12,267.68	(55.74)	12,211.95
Profit/Loss Before Exceptional Items and Tax	2,985.57	55.74	3,041.30
Exceptional Items			-
Profit/Loss Before Tax	2,985.57	55.74	3,041.30
Tax Expenses :			-
Current Tax	641.42	-	641.42
MAT Credit Entitlement	(10.29)	-	(10.29)
Deferred Tax	124.62	(215.82)	(91.21)
Short / (Excess) provision for tax of earlier year(s)	(6.64)	-	(6.64)
	749.11	(215.82)	533.29
Profit/(Loss) for the Year	2,236.46	271.57	2,508.01
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement (Gains) / Losses on Defined Benefit Plans	-	2.11	2.11
Tax Effect on above	-	(0.61)	(0.61)
Items that will be reclassified to profit or loss	-	-	-
Total Other Comprehensive Income (Net of Tax)	-	1.49	1.49
Total Comprehensive Income for the Year (9-10)	2,236.46	270.07	2,506.52

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

42 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)

42.6 Reconciliation between profit and other equity as previously reported under previous GAAP and Ind AS for the Year ended as at 31st March, 2018, 31st March, 2017 and 1st April, 2016.

Sr. No.	Particulars	Foot Notes	Profit for the year ended 31st March, 2018	Profit for the year ended 31st March, 2017	Other Equity as at 31st March, 2018	Other Equity as at 31st March, 2017	Other Equity as at 1st April, 2016
	Net Profit/ (Loss) Other Equity as per Previous India GAAP		2,236.45	203.00	12,375.31	2,665.94	2,462.93
1	Fair Valuation of Property, Plant & Equipment	I	-	-	1,829.70	235.63	235.63
2	Financial Assets	II	(22.84)	(21.30)	(283.27)	(41.61)	(20.31)
3	Financial Liabilities	III	(19.89)	9.97	9.29	9.97	-
4	Remeasurement of Defined Benefit Plans	IV	72.22	(29.65)	0.61	(27.96)	-
5	Depreciation	I	26.25	16.96	42.92	16.96	-
6	Impact of Deferred Tax	V	215.83	(8.05)	(2,149.45)	(905.21)	(897.16)
	Net Loss after Tax / Other Equity (Before OCI)		2,508.01	170.94	11,825.12	1,953.71	1,781.09
7	Other Comprehensive Income	IV	(1.49)	1.68			
	Total Comprehensive Income / Other Equity as per Ind AS		2,506.52	172.62			

Footnotes to the Reconciliation:

I Fair Valuation of Property, Plant & Equipment

The Company has considered fair value for Property, Plant & Equipment in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves and depreciation thereafter are recognised in statement of profit and loss.

II Financial Assets

The Company has valued financial assets, including trade receivables (allowance for expected credit loss), Government Grant receivables, etc. at fair value. Impact of fair value changes on the date of transition, is recognised in opening reserves and changes thereafter are recognised in statement of profit and loss.

III Financial Liabilities

The Company has valued financial liabilities including Borrowing from DSIR, at fair value, as per Ind AS 109 "Financial Instruments". Impact of fair value changes on the date of transition, if any, is recognised in opening reserves and changes thereafter are recognised in statement of profit and loss.

IV Remeasurement of Defined Benefit Plans

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains or losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through Other Comprehensive Income (OCI).

V Deferred Tax

Indian GAAP requires deferred tax accounting using the Income Statement approach, which focuses on differences between taxable profits and accounting profits for the period / year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. The impact of transitional adjustments for computation of deferred taxes has resulted in charge to Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss and OCI for the subsequent periods.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

42 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)

VI Statement of Cash Flows

The Ind AS adjustments are either non cash adjustments or regrouping among the cash flow from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP.

43 STANDARDS ISSUED BUT NOT EFFECTIVE :

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - "Leases" and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April, 2019.

43.1 Issue of Ind AS 116 - "Leases"

Ind AS 116 will replace the existing leases Standard, Ind AS 17 - "Leases", and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS.

43.2 Amendment to Existing issued Ind AS

The MCA has also notified certain amendments to the following Indian Accounting Standards:

- i) Ind AS 12 - Income Taxes
- ii) Ind AS 19 - Employee Benefits

Applications of the above standards are not expected to have any significant impact on the Company's Financial Statements.

44 GROUP INFORMATION

Name	Principal Place of Business	% Equity interest			
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A Indian subsidiaries					
Mechvac India Limited	India	-	-	87.49%	89.16%
Concept Shapers & Electronics Limited	India	-	-	50.00%	50.00%
Holland Shielding Systems (India) Private Limited	India	100%	100%	-	-
Paras Aerospace Solutions Private Limited	India	100%	-	-	-
Paras Green Optics Private Limited	India	100%	-	-	-
Paras Strategic Technologies Private Limited	India	100%	-	-	-
B Overseas subsidiaries					
Paras Space Technologies PTE Ltd	Singapore	100%	-	-	-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

45 PROVISION

Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets:-

Movement in provisions:-

(₹ in Lakhs)

Nature of provision	Provision for Expected Credit loss on Trade Receivable	Provision for Stamp Duty	Total
As at 1st April, 2016	29.23	-	29.23
Provision during the year	12.83	-	12.83
As at 31st March, 2017	42.06	-	42.06
Pursuant to the scheme of amalgamation (Refer Note No.33)	232.84	-	232.84
Provision during the year	22.84	35.00	57.84
As at 31st March, 2018	297.74	35.00	332.74
Provision during the Year	66.77	-	66.77
Payment during the Year	-	(35.00)	(35.00)
As at 31st March, 2019	364.51	-	364.51

46 The Management and authorities have the power to amend the Financial Statements in accordance with section 130 and 131 of the Companies Act, 2013.

47 SEGMENT REPORTING

In accordance with IND-AS 108, operating segment, segment information has been given in the Consolidated Financial Statements, and therefore, no separate disclosure on segment information is given in these financial statements.

As per our report of even date,
For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No. 101720W/W100355)

R. KORIA
Partner
Membership No. 35629
Place: Mumbai
Date: 7th September, 2019

For and on behalf of the Board of Directors

MUNJAL SHAH
Managing Director
DIN: 01080863

SHARAD SHAH
Chairman and Director
DIN: 00622001

AJIT SHARMA
Company Secretary
Membership No. F10165

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated Ind AS 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"), which comprise the Consolidated Balance sheet as at 31st March, 2019, and the Statement of Consolidated Profit and Loss (including Other Comprehensive Income), the Statement of Consolidated Changes in Equity and the Consolidated Statement of Cash flows for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 as at 31st March, 2019 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 Ind AS 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 Ind AS Financial Statements section of our report. We are independent of the Group 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 Ind AS 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 Consolidated Ind AS Financial Statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and chairman's statement included in the annual report but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding 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 Consolidated Ind AS Financial Statements 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 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 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 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 Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

INDEPENDENT AUDITOR'S REPORT (Contd.)

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 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 is responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility for the audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 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 Consolidated Ind AS 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 Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS 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 to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of Holding Company included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS 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.

We communicate with those charged with governance of the Holding Company 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 Matters

- i) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹ 3.54 Lakhs as at 31st March, 2019, total revenues of ₹ Nil and net cash inflows amounting

INDEPENDENT AUDITOR'S REPORT (Contd.)

to ₹ 2.54 Lakhs and total comprehensive income (comprising of loss and other comprehensive income) of ₹ (6.49) Lakhs for the year ended on that date, as considered in the Consolidated Ind AS 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 Ind AS Financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

- ii) The Consolidated Financial Statements include unaudited financial statements in respect of 2 subsidiaries, whose financial statements reflect total assets of ₹ 2.00 Lakhs as at 31st March, 2019, total revenues of ₹ Nil and net cash inflows amounting to ₹ 2.00 Lakhs and total comprehensive income (comprising of loss and other comprehensive income) of ₹ (0.35) Lakhs for the year ended on that date. These unaudited financial statements have been furnished to us by the Management. Our opinion in so far as it relates to amounts and disclosures included in these subsidiaries and our report in terms of Section 143(3) of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management these financial statements are not material to the Group.

Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

- iii) The Comparative financial information of the Group for the year ended 31st March, 2018, 31st March, 2017 and transition date opening balance sheet as at 1st April, 2016 included in these Consolidated Ind AS Financial Statements (Refer note no. 32 to the Consolidated Ind AS Financial Statements), are based on the previously issued annual statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor, whose reports for the year ended 31st March, 2018 dated 25th September, 2018, for the year ended 31st March, 2017 dated 5th September, 2017 and for the year ended 31st March, 2016 dated 5th September, 2016 expressed an unmodified opinion, on those financial statements,

as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above said matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid Consolidated Ind AS 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 and the reports of the other auditors.
 - 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 Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
 - d. In our opinion, the aforesaid Consolidated Ind AS 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 of the Holding Company as on 31st March, 2019 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, companies incorporated in India, none of the directors of the Group, companies incorporated in India, is disqualified as on 31st March, 2019 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A",

INDEPENDENT AUDITOR'S REPORT (Contd.)

which is based on the auditor's reports of the Holding Company and subsidiaries, companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

- 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 by the Holding 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:

- i. The Group does not have any pending litigations which would impact its consolidated financial position;
- ii. The Group 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 Holding Company and its subsidiaries, companies incorporated in India.

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

R. KORIA
Partner
Membership No. 35629
UDIN No.: 19035629AAAAFJ3913

Place: Mumbai
Date: 7th September, 2019

ANNEXURE "A" 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 Ind AS Financial Statements of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED for the year ended March 31, 2019)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting 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 31st March, 2019 in conjunction with our audit of the Consolidated Ind AS 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 based on the internal control over financial reporting 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 over financial reporting of the Holding Company and its subsidiary companies, 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 Act, to the extent applicable to an audit of internal financial controls. Those

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 over financial reporting to these Consolidated Ind AS 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting with reference to these Consolidated Ind AS Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting to these Consolidated Ind AS 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and based on the consideration of reports of other auditors, as referred to in Other Matter paragraph below, the Holding Company and its subsidiaries, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these Consolidated Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements were operating effectively as at 31st March, 2019, except in respect of Holding Company's allocation of various overheads for determination of the costs of its products, which need to be further strengthened, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements of the Holding Company, in so far as it relates to separate financial statements of 2 subsidiaries which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

R. KORIA
Partner
Membership No. 35629
UDIN No.: 19035629AAAAFJ3913

Place: Mumbai
Date: 7th September, 2019

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2019

Particulars	Note No.	(₹ in Lakhs)			
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
I. ASSETS					
1) Non Current Assets					
(a) Property, Plant and Equipment	2	16,588.77	16,973.92	12,393.26	12,185.89
(b) Capital Work in Progress	2	262.95	120.68	-	-
(c) Intangible Assets	3	240.47	162.33	0.06	0.14
(d) Financial Assets					
i) Investments	4	5.00	5.00	5.00	5.00
ii) Other Financial Assets	5	42.43	78.97	51.15	107.24
(e) Other Non Current Assets	6	87.07	156.60	507.51	96.26
		17,226.69	17,497.50	12,956.98	12,394.53
2) Current Assets					
(a) Inventories	7	6,452.70	4,379.37	4,213.26	3,299.16
(b) Financial Assets					
i) Trade Receivables	8	8,322.72	2,529.36	5,751.50	2,362.39
ii) Cash and Cash Equivalents	9	17.88	37.25	88.48	1,709.03
iii) Bank Balances other than (ii) above	10	167.83	229.20	682.03	780.93
iv) Loans	11	15.14	8.00	1.25	-
v) Other Financial Assets	12	51.29	58.38	44.66	10.69
(c) Other Current Assets	13	720.39	940.82	599.73	675.30
		15,747.95	8,182.38	11,380.91	8,837.50
TOTAL ASSETS		32,974.64	25,679.88	24,337.89	21,232.03
II. EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	14	568.25	558.25	501.00	501.00
(b) Other Equity	15	14,668.40	11,825.12	7,353.36	6,411.39
Equity attributable to the Owners		15,236.65	12,383.37	7,854.36	6,912.39
Non Controlling Interest		-	-	1,987.23	1,896.02
TOTAL EQUITY		15,236.65	12,383.37	9,841.59	8,808.41
LIABILITIES					
1) Non Current Liabilities					
(a) Financial Liabilities					
i) Borrowings	16	3,832.02	3,910.53	1,291.76	1,105.75
(b) Provisions	17	168.83	87.46	66.15	-
(c) Deferred Tax Liabilities (Net)	18	2,778.19	2,700.38	2,792.19	2,664.56
		6,779.04	6,698.37	4,150.10	3,770.31
2) Current Liabilities					
(a) Financial Liabilities					
i) Borrowings	19	3,792.59	2,105.29	3,639.03	5,841.70
ii) Trade Payables	20				
Total Outstanding dues of Micro enterprises and small enterprises		726.95	39.44	-	-
Total Outstanding dues of creditors other than Micro enterprises and small enterprises		4,598.22	2,249.51	5,292.75	1,529.25
iii) Other Financial Liabilities	21	1,103.89	1,035.81	864.16	493.66
(b) Other Current Liabilities	22	160.80	608.01	237.05	733.75
(c) Provisions	23	15.05	46.28	3.96	-
(d) Current Tax Liabilities (Net)		561.45	513.80	309.25	54.95
		10,958.95	6,598.14	10,346.20	8,653.31
TOTAL EQUITY AND LIABILITIES		32,974.64	25,679.88	24,337.89	21,232.03
Significant Accounting Policies	1				
Notes to the Consolidated Financial Statements	2 to 46				

As per our report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No. 101720W/W100355)

R. KORJA
Partner
Membership No. 35629
Place: Mumbai
Date: 7th September, 2019

For and on behalf of the Board of Directors

MUNJAL SHAH
Managing Director
DIN: 01080863

SHARAD SHAH
Chairman and Director
DIN: 00622001

AJIT SHARMA
Company Secretary
Membership No. F10165

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
1 REVENUE FROM OPERATIONS	24	15,439.94	14,925.62	15,986.91
2 OTHER INCOME	25	277.01	327.63	140.87
3 TOTAL INCOME (1+2)		15,716.95	15,253.25	16,127.78
4 EXPENSES				
Cost of Materials Consumed		9,552.39	9,480.54	9,224.40
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	26	(1,163.97)	(1,648.77)	4.11
Excise Duty and Service Tax		-	617.05	1,537.52
Employee Benefits Expense	27	897.74	686.08	617.05
Finance Costs	28	938.52	735.63	797.39
Depreciation and Amortisation Expense	29	940.55	668.12	525.33
Other Expenses	30	1,870.63	1,673.30	1,832.35
TOTAL EXPENSES		13,035.86	12,211.95	14,538.15
5 PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)		2,681.09	3,041.30	1,589.63
6 EXCEPTIONAL ITEMS		-	-	-
7 PROFIT BEFORE TAX (5-6)		2,681.09	3,041.30	1,589.63
8 TAX EXPENSES :				
Current Tax		688.39	641.42	413.23
MAT Credit Entitlement		-	(10.29)	-
Deferred Tax	18	95.79	(91.20)	128.01
Income Tax for Earlier Years		(0.13)	(6.64)	(0.72)
		784.05	533.29	540.52
9 PROFIT FOR THE YEAR (7-8)		1,897.04	2,508.01	1,049.11
10 OTHER COMPREHENSIVE INCOME				
(i) Items that will not be reclassified to profit or loss				
Remeasurement Losses / (Gains) on Defined Benefit Plans		61.74	2.10	1.13
Tax Effect on above		(17.98)	(0.61)	(0.37)
(ii) Items that will be reclassified to Profit or Loss		-	-	-
Total Other Comprehensive Income (Net of Tax)		43.76	1.49	0.76
Total Comprehensive Income for the year (9-10)		1,853.28	2,506.52	1,048.35
Profit attributable to				
Equity holders of the Parent		1,897.04	2,508.01	758.16
Non-Controlling Interest		-	-	290.95
Other Comprehensive Income attributable to				
Equity holders of the Parent		43.76	1.49	(0.13)
Non-Controlling Interest		-	-	0.89
Total Comprehensive Income Attributable to				
Equity holders of the Parent		1,853.28	2,506.52	758.29
Non-Controlling Interest		-	-	290.06
11 EARNINGS PER EQUITY SHARE OF ₹ 10/- EACH	31			
Basic (₹)		33.74	44.93	20.94
Diluted (₹)		33.51	44.93	20.94
Significant Accounting Policies	1			
Notes to the Consolidated Financial Statements	2 to 46			

As per our report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No. 101720W/W100355)

R. KORIA
Partner
Membership No. 35629
Place: Mumbai
Date: 7th September, 2019

For and on behalf of the Board of Directors

MUNJAL SHAH
Managing Director
DIN: 01080863

SHARAD SHAH
Chairman and Director
DIN: 00622001

AJIT SHARMA
Company Secretary
Membership No. F10165

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2019

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Balance as at 1st April, 2016	Changes during 2016-17	Balance as at 31st March, 2017	Changes during 2017-18	Balance as at 31st March, 2018	Changes during 2018-19	Balance as at 31st March, 2019
Equity Share Capital	501.00	-	501.00	57.25	558.25	10.00	568.25

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Attributable to Equity Owners							Total Other Equity
	Reserves and Surplus				Revaluation Reserve	Foreign Currency Translation Reserve	Item of Other Comprehensive Income	
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			Remeasurements of Defined Benefit Plans	
Balance as at 1st April, 2016	146.02	1,421.05	11.43	820.23	4,012.66	-	-	6,411.39
Issue of Equity Shares	-	246.07	-	-	-	-	-	246.07
Transfer to Non Controlling Interest *	0.49	(26.64)	-	(9.17)	(27.07)	-	-	(62.39)
Total Comprehensive Income for the year	-	-	-	758.16	-	-	0.13	758.29
Balance as at 31st March, 2017	146.51	1,640.48	11.43	1,569.22	3,985.59	-	0.13	7,353.36
Pursuant to the scheme of Amalgamation (Refer Note No. 32)	(954.87)	2,304.23	0.49	1,293.78	197.50	-	(0.89)	2,840.24
Issue of Bonus shares	-	-	-	(875.00)	-	-	-	(875.00)
Total Comprehensive Income for the year	-	-	-	2,508.01	-	-	(1.49)	2,506.52
Balance as at 31st March, 2018	(808.36)	3,944.71	11.92	4,496.01	4,183.09	-	(2.24)	11,825.13
Conversion of Compulsorily Convertible Debentures	-	990.00	-	-	-	-	-	990.00
Total Comprehensive Income for the year	-	-	-	1,897.04	-	0.00	(43.76)	1,853.28
Balance as at 31st March, 2019	(808.36)	4,934.71	11.92	6,393.05	4,183.09	0.00	(46.00)	14,668.40

* Pursuant to Increase in percentage of Non Controlling Interest

As per our report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No. 101720W/W100355)

R. KORIA
Partner
Membership No. 35629
Place: Mumbai
Date: 7th September, 2019

For and on behalf of the Board of Directors

MUNJAL SHAH
Managing Director
DIN: 01080863

SHARAD SHAH
Chairman and Director
DIN: 00622001

AJIT SHARMA
Company Secretary
Membership No. F10165

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax as per the Statement of Profit and Loss	2,681.09	3,041.30	1,589.63
ADJUSTED FOR :			
Depreciation and Amortisation Expense	940.55	668.12	525.33
Dividend on Current Investments	(0.50)	(0.60)	(0.60)
Interest Income	(16.11)	(30.31)	(67.17)
Finance Costs	811.87	715.71	797.39
(Profit)/Loss on discard of Property, Plant and Equipment	5.39	(5.00)	(0.60)
Bad Debts / Advances written off (Net)	42.16	61.71	42.55
Provision for Expeced Credit Loss	66.77	22.84	(24.85)
Unrealised Foreign Exchange differences	(28.43)	(4.20)	(25.60)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,502.79	4,469.57	2,836.08
ADJUSTMENTS FOR :			
Trade and Other Receivables	(5,671.68)	2,760.06	(3,370.33)
Inventories	(2,073.33)	(166.11)	(914.09)
Trade and Other Payables	2,610.19	(2,563.42)	3,302.31
CASH (USED IN) / GENERATED FROM OPERATIONS	(632.03)	4,500.10	1,853.97
Direct Taxes (Paid) / Refund	(756.96)	(441.04)	(171.90)
NET CASH (USED IN) / FLOW FROM OPERATING ACTIVITIES	(1,388.99)	4,059.06	1,682.07
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(965.62)	(4,971.85)	(1,223.69)
Sale of Property, Plant and Equipment	-	-	71.13
Sale of Investment	-	30.00	-
Interest Income	9.90	30.37	68.07
Dividend Income	0.50	0.60	0.60
NET CASH USED IN INVESTING ACTIVITIES	(955.22)	(4,910.88)	(1,083.89)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2019 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Equity Share Capital	1,000.00	-	-
Proceed from Non Current Borrowings	772.97	3,250.01	1,335.78
Repayment of Non Current Borrowings	(608.72)	(598.88)	(777.96)
Current Borrowings (Net)	1,687.31	(1,551.45)	(2,178.54)
Finance Costs	(624.63)	(724.10)	(752.99)
Margin Money (Net)	97.91	425.01	154.98
NET CASH (USED IN) / FLOW FROM FINANCING ACTIVITIES	2,324.84	800.59	(2,218.73)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19.37)	(51.23)	(1,620.55)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	37.25	88.48	1,709.03
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	17.88	37.25	88.48

Changes in Liabilities arising from financing activities on account of Non-Current (Including Current Maturities) and Current Borrowings

Particulars	31st March, 2019	31st March, 2018	31st March, 2017
Opening Balance of Liabilities arising from Financing Activities	6,636.04	5,518.65	7,163.50
Add : Changes from Cash Flow from Financing Activities (Net)	1,851.55	1,099.68	(1,620.72)
Add : The effect of changes in foreign exchange rate	-	17.71	(24.13)
Closing Balance of Liabilities arising from Financing Activities	8,487.59	6,636.04	5,518.65

(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.

As per our report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No. 101720W/W100355)

R. KORIA
Partner
Membership No. 35629
Place: Mumbai
Date: 7th September, 2019

For and on behalf of the Board of Directors

MUNJAL SHAH
Managing Director
DIN: 01080863

SHARAD SHAH
Chairman and Director
DIN: 00622001

AJIT SHARMA
Company Secretary
Membership No. F10165

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019

1.1 Corporate Information

The consolidated financial statements comprise of Paras Defence & Space Technologies Limited ("the Company") and its subsidiaries, as detail in Note No. 43, for the year ended 31st March 2019. 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. The Group is involved in design, development, manufacturing, testing & commissioning of products, systems and solutions for Defence & Space Applications. For the Group information refer Note No. 44.

The consolidated financial statements for the year ended 31st March, 2019 were approved and adopted by board of directors in their meeting held on 7th September, 2019.

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.

Up to the year ended 31st March, 2018, the Group had prepared its consolidated financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The Management of the Company is planning to make Initial Public Offering (IPO) of equity shares of the Company. The Company will required to provide earlier years financial information, prepared in accordance with Ind AS, in its letter of offer as per the SEBI regulations. Accordingly the Company has adopted the Ind AS by considering 1st April, 2016 as transition date to Ind AS. These consolidated financial statements for the year ended 31st March, 2019 are the first financial statements with comparatives prepared in accordance with Ind AS.

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values.

These consolidated financial statements are presented in Indian Rupees, which is the company's

functional and presentation currency and all values are rounded to the nearest lacs, except when otherwise indicated.

1.3 Principles of Consolidation

The consolidated financial statements have been prepared on the following principles of consolidation:

1. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
2. 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 statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.
3. Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.
4. In case of foreign subsidiaries, 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).
5. The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS.
6. The Consolidated Financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

1.3 Significant 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 fair value as deemed cost on the date of transition i.e. 1st April, 2016.

Property, Plant and Equipment are eliminated from consolidated 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 period 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.
- (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. The period of amortisation is as under :

Asset	Period of amortisation
Computer Software	6 Years
Technical Know how	6 Years

(C) Borrowing Cost

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

(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 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) Government Grants and Subsidy:

The Group is entitled to subsidy from DSIR (Department of Scientific & Industrial Research), Ministry of Science & Technology for the difference between the normal rate of interest @12% and the concessional rate of interest @ 3% on financial assistance received from DSIR, subject to prompt repayment of the principal and interest thereon. Government grants are recognized only if there is reasonable assurance that the grant will be received and all the conditions attached there to shall be complied with and are adjusted against the finance costs.

(F) Taxes on Income:

Tax expense represents the sum of current tax (including MAT and 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.

Minimum Alternative Tax (MAT) is applicable to the Group. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

(G) Inventories:

Inventories are measured at lower of cost and net realisable value 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.

(H) 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.

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 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).

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

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 statement of profit and loss.

(I) Fair Value:

The Group measures financial instruments at fair value at each Balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

Level 3 – inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

(J) Investment in Subsidiary and Associate Companies:

The Group has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate consolidated financial statements'.

(K) 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 transfer 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 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 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 time 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.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

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.

(L) 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.

(M) 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.

(N) Lease:

As a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the Balance Sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

As a lessor:

The Group has leased premises where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit and loss on a straight line basis over the lease term or other systematic basis which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

(O) Research and Development:

Revenue expenditure on Research and Development is charged in the period in which it is incurred. Capital Expenditure for Research and Development is capitalised when commissioned and included in the Plant, Property and Equipment and depreciated in accordance with the policies stated for Property, Plant and Equipment.

(P) 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 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 consolidated financial statements. Contingent assets are not recognised. 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.

(Q) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

(R) Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(S) Earnings per share:

Basic earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

(T) Current / Non-current classification:

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA).

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has identified twelve months as its operating cycle.

(U) 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.

1.4 Key accounting estimates and judgements

The preparation of the Company's consolidated 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.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

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 costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis

of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

d) Income Tax:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

e) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

2 PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in Lakhs)									
	Freehold-Land	Leasehold-Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total	
Deemed Cost										
As at 1st April, 2016 (IND AS)	377.82	5,463.32	3,359.13	2,680.83	82.04	172.54	40.03	10.18	12,185.89	
Additions	-	-	107.55	559.38	36.98	94.54	2.28	2.43	803.16	
Disposals / Adjustments	-	-	70.53	-	-	-	-	-	70.53	
Balance as at 31st March, 2017	377.82	5,463.32	3,396.15	3,240.21	119.02	267.08	42.31	12.61	12,918.52	
Additions	-	-	305.09	4,756.61	23.34	109.46	25.30	5.43	5,225.23	
Disposals / Adjustments	-	-	-	-	-	-	-	-	-	
Balance as at 31st March, 2018	377.82	5,463.32	3,701.24	7,996.82	142.36	376.54	67.61	18.04	18,143.75	
Additions	-	-	272.57	3.81	136.87	8.28	74.72	15.15	511.40	
Disposals / Transfer	-	-	-	11.45	-	-	-	-	11.45	
As at 31st March, 2019	377.82	5,463.32	3,973.81	7,989.17	279.23	384.82	142.33	33.19	18,643.70	
Depreciation										
As at 1st April, 2016	-	-	-	-	-	-	-	-	-	
Depreciation	-	81.17	152.85	223.70	13.80	31.34	18.03	4.36	525.25	
Disposals	-	-	-	-	-	-	-	-	-	
As at 31st March, 2017	-	81.17	152.85	223.70	13.80	31.34	18.03	4.36	525.25	
Depreciation	-	81.17	154.24	339.62	16.09	40.48	8.22	4.76	644.59	
Disposals	-	-	-	-	-	-	-	-	-	
As at 31st March, 2018	-	162.34	307.09	563.32	29.89	71.82	26.25	9.12	1,169.84	
Depreciation	-	81.17	167.90	543.92	23.35	51.42	18.04	5.36	891.16	
Disposals	-	-	-	6.06	-	-	-	-	6.06	
As at 31st March, 2019	-	243.51	474.99	1,101.18	53.24	123.24	44.29	14.48	2,054.93	
Net Carrying Value										
As at 1st April, 2016	377.82	5,463.32	3,359.13	2,680.83	82.04	172.54	40.03	10.18	12,185.89	
As at 31st March, 2017	377.82	5,382.15	3,243.30	3,016.51	105.22	235.74	24.28	8.25	12,393.26	
As at 31st March, 2018	377.82	5,300.98	3,394.15	7,433.50	112.47	304.72	41.36	8.92	16,973.92	
As at 31st March, 2019	377.82	5,219.81	3,498.82	6,888.00	225.99	261.58	98.04	18.71	16,588.77	

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

2 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- 2.1** Property, Plant and Equipment include assets pledged /hypothecation as security (Refer Note no. 16 and 19).
- 2.2** Vehicles having the carrying value of ₹ 261.58 lakhs (31st March, 2018 : ₹ 304.72 Lakhs, 31st March, 2017 : ₹ 235.74 lakhs, 1st April, 2016: ₹ 172.54 lakhs) registered in the name of the Directors and erstwhile directors of the Company / Merger entities with Company.
- 2.3 Capital Work in Progress Includes:**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Building under Construction	262.95	120.68	-	-
TOTAL	262.95	120.68	-	-

- 2.4** Building includes cost of shares in Co-operative society of ₹ 750 (Previous year ₹ 750)
- 2.5** 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 31st March, 2019.

3 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software*	Process Technology / Technical Know How *	Total
Deemed Cost			
As at 1st April, 2016	0.14	-	0.14
Additions	-	-	-
Balance as at 31st March, 2017	0.14	-	0.14
Additions	0.18	185.62	185.80
Balance as at 31st March, 2018	0.32	185.62	185.94
Additions	4.01	123.52	127.53
As at 31st March, 2019	4.33	309.14	313.47
Amortisation			
As at 1st April, 2016	-	-	-
Amortisation charge for the Year	0.08	-	0.08
Balance as at 31st March, 2017	0.08	-	0.08
Amortisation charge for the Year	0.08	23.45	23.53
Balance as at 31st March, 2018	0.16	23.45	23.61
Amortisation charge for the Year	0.30	49.09	49.39
As at 31st March, 2019	0.46	72.54	73.00
Net Carrying Amount			
As at 1st April, 2016	0.14	-	0.14
As at 31st March, 2017	0.06	-	0.06
As at 31st March, 2018	0.16	162.17	162.33
As at 31st March, 2019	3.87	236.60	240.47

* Other than self generated

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

PARTICULARS	Number of Shares					Face Value	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016						
Equity Instrument (Unquoted, Fully Paid Up)(Carried at fair value through Profit & Loss)										
NKGSB Co- Operative Bank Limited	50,000	50,000	50,000	50,000	10	5.00	5.00	5.00	5.00	5.00
Total						5.00	5.00	5.00	5.00	5.00
Aggregate Amount of Unquoted Investments						5.00	5.00	5.00	5.00	5.00
Investment Carried at Cost						-	-	-	-	-
Investment Carried at fair value through Profit & Loss						5.00	5.00	5.00	5.00	5.00

(₹ in Lakhs)

4 NON CURRENT INVESTMENTS

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

5 OTHERS NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(Unsecured, Considered Good)				
Fixed Deposits with Banks held as Margin Money	42.43	78.97	51.15	107.24
TOTAL	42.43	78.97	51.15	107.24

6 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(Unsecured, Considered Good)				
Capital Advances	5.00	79.97	478.24	70.00
Security Deposits	82.07	66.34	29.27	24.76
MAT Credit Entitlement (Refer Note No. 6.1)	-	10.29	-	1.50
TOTAL	87.07	156.60	507.51	96.26

6.1 The Group was liable to pay MAT under Section 115JB of the Income Tax Act, 1961 ("the Act") in earlier years MAT paid under Section 115JB of the Act over tax payable as per the provisions of the Act, other than Section 115JB of the Act, has been carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB of the Act, in next fifteen years During the year, the Group has utilized ₹ 10.29 lakhs against tax liability of current year.

6.2 Capital Advances includes the amount due from director of the Company of ₹ Nil (31st March, 2018: Nil, 31st March, 2017: Nil, 1st April, 2016: 0.23 lakhs)(Refer Note No. 34).

7 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Raw Materials	2,816.80	1,924.53	1,603.48	685.27
Work-in-Progress	2,475.74	1,206.11	2,609.78	2,613.89
Finished Goods	1,065.28	1,170.94	-	-
Stores, Spares and Consumables	94.88	77.79	-	-
TOTAL	6,452.70	4,379.37	4,213.26	3,299.16

7.1 For basis of valuation Refer Accounting Policy Note No. 1.3(G)

7.2 For Inventories hypothecated as security (Refer Note No. 16 and 19)

8 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(Unsecured)				
Considered Good	8,426.26	2,827.10	6,026.40	2,662.14
Significant Increase in Credit Risk	260.97	-	-	-
	8,687.23	2,827.10	6,026.40	2,662.14
Less: Provision for Expected Credit Loss	364.51	297.74	274.90	299.75
TOTAL	8,322.72	2,529.36	5,751.50	2,362.39

8.1 Hypothecated as security (Refer Note No. 16 and 19)

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

9 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Cash and Cash Equivalents				
Balances with Banks in Current Accounts	13.50	6.09	72.46	1,684.19
Cheques in Hand	-	1.00	-	-
Cash on hand	4.38	30.16	16.02	24.84
TOTAL	17.88	37.25	88.48	1,709.03

9.1 For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise the followings :

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Balances with Banks in Current Accounts	13.50	6.09	72.46	1,684.19
Cheques in Hand	-	1.00	-	-
Cash on hand	4.38	30.16	16.02	24.84
TOTAL	17.88	37.25	88.48	1,709.03

10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Fixed Deposits with Banks Pledged as Margin Money	167.83	229.20	682.03	780.93
TOTAL	167.83	229.20	682.03	780.93

11 LOANS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(Unsecured, Considered Good)				
Loans to Employees	15.14	8.00	1.25	-
TOTAL	15.14	8.00	1.25	-

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

12 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(Unsecured, Considered Good)				
Interest Receivables	6.71	0.50	0.57	1.46
Government Grant Receivables	44.58	57.88	44.09	9.23
TOTAL	51.29	58.38	44.66	10.69

13 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Advances to Suppliers	505.46	538.99	508.28	559.76
Balances with Revenue Authorities	124.67	308.03	81.02	105.69
Export Incentive Receivables	42.94	92.65	-	-
Others*	47.32	1.15	10.43	9.85
TOTAL	720.39	940.82	599.73	675.30

* Others Includes prepaid expenses, advances for expenses, etc.

14 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Authorised				
35,260,000 (31st March, 2018 : 35,260,000 , 31st March, 2017 : 52,60,000, 1st April, 2016: 52,60,000) Equity Shares of ₹ 10/- each. *	3,526.00	3,526.00	526.00	526.00
	3,526.00	3,526.00	526.00	526.00
Issued, Subscribed and Paid up				
5,682,534 (31st March, 2018 : 5,582,534, 31st March, 2017 : 5,010,000, 1st April, 2016: 5,010,000) Equity Shares of ₹ 10/- each fully paid up	568.25	558.25	501.00	501.00
TOTAL	568.25	558.25	501.00	501.00

* Pursuant to scheme of amalgamation, the Authorised share capital of Mechvac India Limited and Concept Shapers & Electronics Private Limited (Subsidiaries company) has been added to the Authorised share capital of the Holding Company.

14.1: 2,582,534 (31st March, 2018: 2,582,534 31st March, 2017: 2,010,000, 1st April, 2016 2,010,000) shares were allotted in last five years pursuant to the scheme of Amalgamation without payment received in cash.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

14 EQUITY SHARE CAPITAL (CONTD.)**14.2 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year**

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	5,582,534	558.25	5,010,000	501.00	5,010,000	501.00	5,010,000	501.00
Add: Shares Issued Pursuant to the scheme of amalgamation (Refer Note No. 32)	-	-	572,534	57.25	-	-	-	-
Add: Issued on conversion of Compulsorily Convertible Debentures (Refer Note No. 14.4)	100,000	10.00	-	-	-	-	-	-
Shares outstanding at the end of the year	5,682,534	568.25	5,582,534	558.25	5,010,000	501.00	5,010,000	501.00

14.3 Details of Shareholders holding more than 5% of Equity Share Capital :

(₹ in Lakhs)

Name of Shareholders	As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	Percentage held	No. of Shares held	Percentage held	No. of Shares held	Percentage held	No. of Shares held	Percentage held
Mr. Sharad Virji Shah	3,656,094	64.34%	3,656,094	65.49%	3,656,094	72.98%	3,656,094	72.98%
Mr. Munjal Sharad Shah	681,526	11.99%	681,460	12.21%	681,460	13.60%	681,460	13.60%
Mrs. Ami Munjal Shah	672,442	11.83%	672,442	12.05%	672,442	13.42%	672,442	13.42%

14.4 During the year, the Board of Director of the Holding Company at its meeting held on 3rd November, 2018, based on the fair value determined by a merchant banker, converted 10,00,000 compulsorily convertible debentures of ₹ 100 each into 1,00,000 Equity Shares of ₹ 10 each at premium of ₹ 990 per share.

14.5 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 shareholder.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

15 OTHER EQUITY

(₹ in Lakhs)				
Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Capital Reserve				
Balance as per last Balance Sheet	(808.36)	146.51	146.02	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 32)	-	(954.87)	-	-
Add: transfer from Non Controlling Interest *	-	-	0.49	-
	(808.36)	(808.36)	146.51	146.02
Securities Premium				
Balance as per last Balance Sheet	3,944.71	1,640.48	1,421.05	-
Add: Issue of Equity Shares	-	-	246.07	-
Add: On Conversion of Compulsorily Convertible Debentures into Equity Shares	990.00	-	-	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 32)	-	2,304.23	-	-
Less: transfer to Non Controlling Interest *	-	-	26.64	-
	4,934.71	3,944.71	1,640.48	1,421.05
General Reserve				
Balance as per last Balance Sheet	11.92	11.43	11.43	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 32)	-	0.49	-	-
	11.92	11.92	11.43	11.43
Retained Earnings				
Balance as per last Balance Sheet	4,496.01	1,569.22	820.23	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 32)	-	1,293.78	-	-
Less: Issue of Bonus Shares	-	(875.00)	-	-
Add: Profit after tax for the year	1,897.04	2,508.01	758.16	-
Less: transfer to Non Controlling Interest *	-	-	9.17	-
	6,393.05	4,496.01	1,569.22	820.23
Revaluation Reserve				
Balance as per last Balance Sheet	4,183.09	3,985.59	4,012.66	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 32)	-	197.50	-	-
Less: transfer to Non Controlling Interest *	-	-	27.07	-
	4,183.09	4,183.09	3,985.59	4,012.66

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

15 OTHER EQUITY (CONTD.)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Foreign Currency Translation Reserve				
Balance as per last Balance Sheet	-	-	-	-
Add: Pursuant to the consolidation of Foreign Subsidiary company (₹ 540.70)	0.00	-	-	-
	0.00	-	-	-
Other Comprehensive Income (OCI)				
Balance as per last Balance Sheet	(2.25)	0.13	-	-
Add: Pursuant to the scheme of Amalgamation (Refer Note No. 32)	-	(0.89)	-	-
Add : Movement in OCI (Net) during the year	(43.76)	(1.49)	0.13	-
	(46.01)	(2.25)	0.13	-
TOTAL	14,668.40	11,825.12	7,353.36	6,411.39

* Pursuant to Increase in percentage of Non Controlling Interest

15.1 Nature and Purpose of Reserves**Capital Reserves**

The Capital Reserve was created pursuant to the scheme of amalgamation of Mechvac India Limited, 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.

General Reserve

The General Reserve was created pursuant to the scheme of amalgamation and It 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.

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

Other Comprehensive Income

Other Comprehensive Income (OCI) represents the amount recognised in other equity consequent to remeasurement of Defined Benefit Plan.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

16 NON CURRENT BORROWINGS

(₹ in Lakhs)				
Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Secured				
Term Loans				
- From Banks	2,590.47	2,625.95	231.69	25.48
- From Financial Institution *	1,040.56	992.81	551.55	848.15
- From Department of Scientific & Industrial Research of Government of India (DSIR)	160.00	240.00	508.52	232.12
Unsecured				
Fair value of financial Liability	40.99	51.77	-	-
TOTAL	3,832.02	3,910.53	1,291.76	1,105.75

* Net of Processing Fees of ₹ 7.56 Lakhs

16.01 The Term loans from banks referred to above aggregating to ₹ 2590.47 Lakhs and ₹ 563.43 included in current maturity of long Term Debts in Note No. 21 includes:

- (i) ₹ 900.58 lakhs secured by way of Equitable mortgage of Land and Building on Plot no. M-6, Additional Ambarnath Industrial area, Ambarnath-421506, Maharashtra, India (Measuring 21569 sq mtrs) and further secured by collateral security of plant and machinery. The loan is repayable in 72 equal monthly installments ending in March 2025.
- (ii) ₹ 187.52 lakhs secured by the Equitable mortgage of Shed constructed on Plot No. M6, MIDC Additional Ambarnath Industrial Area, situated at Village Jambivali, Ambarnath 421506 and further secured by collateral security of plant and machinery. The loan is repayable in 48 equal monthly installments ending in March 2023.
- (iii) ₹ 179.86 lakhs secured by Hypothecation of Flow Forming Machine and further secured by collateral security of plant and machinery. The loan is repayable in 72 equal monthly installments ending in March 2025.
- (iv) ₹ 1644.05 lakhs secured by Pari Passu Charge on all existing and future current assets / movable fixed assets of the Borrower with NKGSB Bank. Collateral Security of 1) Premises no. 103, 1st floor, veena industrial premises Co-operative Society Limited, Plot no. B-61, veera desai road, Andheri W, Mumbai 400058. 2) Unit no. 115, 1st floor, veena Industrial premises Co-operative Society Limited, Plot no. B 61, 400058. 3) Unit no. 209B, 2nd floor, veena Industrial premises Co-operative Society Limited, Plot no. B 61, 400058. 4) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 5) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076. The loan is repayable as follows.
 - The loan of ₹ 261.31 Lakhs is repayable in 58 equal monthly installments ending in January 2024.
 - The loan of ₹ 905.62 Lakhs is repayable in 48 equal monthly installments ending in March 2023.
 - The loan of ₹ 222.44 Lakhs is repayable in 72 equal monthly installments ending in March 2025.
 - The loan of ₹ 254.68 Lakhs is repayable in 46 equal monthly installments ending in January 2023.
- (v) ₹ 94.58 lakhs hypothecated by Vacuum Epoxy Resin and Dosing Machine and further secured by collateral security of plant and machinery. The loan is repayable in 51 equal monthly installments ending in June 2023.
- (vi) ₹ 147.29 lakhs secured by the way of Hypothecation of specific vehicle financed. The loan is repayable in 18 to 72 equal monthly installments. The said vehicle loan accounts are in the name of the directors/ erstwhile director of the company or of entities that has since been amalgamated with the company in pursuance to the scheme of amalgamation.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

16 NON CURRENT BORROWINGS (CONTD.)

16.02 The Term loans from financial institution referred to above aggregating to ₹ 1048.12 Lakhs and ₹ 219.55 included in current maturity of long Term Debts in Note No. 21 includes

- (i) ₹ 165.10 lakhs secured by the mortgage on 101, Kalinga Nirmal Nagar, MGLR, Mulund (W), Dmart, Mumbai 400080. The loan is repayable in 155 equal monthly installments ending in February 2032.
- (ii) ₹ 372.80 lakhs secured by 396/397A, TTC Industrial Area, Mahape, Navi Mumbai 400710. The loan is repayable in 180 equal monthly installments ending in March 2034.
- (iii) ₹ 251.05 lakhs secured by Flat no. 604/605, Nirmal nagar kalinga CHSL, Nirmal nagar, Line road, D mart, Mulund W, Mumbai, Maharashtra Indian 400080. The loan is repayable in 252 equal monthly installments ending in January 2040.
- (iv) ₹ 458.08 lakhs secured by way of hypothecation/exclusive charge on specific Equipment finance. The loan is repayable as follows.
 - The loan of ₹ 36.91 Lakhs is repayable in 30 equal monthly installments ending in September 2021.
 - The loan of ₹ 55.83 Lakhs is repayable in 13 equal monthly installments ending in April 2020.
 - The loan of ₹ 43.92 Lakhs is repayable in 16 equal monthly installments ending in July 2020.
 - The loan of ₹ 110.15 Lakhs is repayable in 44 equal monthly installments ending in November 2022.
 - The loan of ₹ 211.27 Lakhs is repayable in 33 equal monthly installments ending in December 2021.
- (v) ₹ 20.64 lakhs secured by the way of Hypothecation of specific vehicle financed. The loan is repayable in 3 to 33 equal monthly installments. The said vehicle loan accounts are in the name of the directors/ erstwhile director of the company or of entities that has since been amalgamated with the company in pursuance to the scheme of amalgamation.

16.03 Term loan from DSIR of ₹ 160.00 Lakhs and ₹ 80.00 lakhs included in current maturity of long term debts in note no 21 is covered by bank guarantees. The loan is repayable in 3 equal annual installments ending in July 2021.

16.04 Interest rates on above term loan ranges from 9.90% p.a to 13.75% p.a

16.05 The Term loans referred to above are guaranteed by some of the directors, erstwhile directors and their relative in their personal capacities.

16.06 Fair valuation of first interest installment of the term loan from DSIR were deferred and payable, without interest, in five equal installment ending in July 2021.

16.07 Maturity profile of Term Loans is as under:

(₹ in Lakhs)

Financial Year	Amount	Financial Year	Amount	Financial Year	Amount
2019-2020	862.98	2026-2027	45.78	2033-2034	40.06
2020-2021	854.22	2027-2028	48.23	2034-2035	41.58
2021-2022	884.03	2028-2029	50.97	2035-2036	18.41
2022-2023	757.27	2029-2030	54.03	2036-2037	20.26
2023-2024	376.88	2030-2031	57.45	2037-2038	22.29
2024-2025	339.32	2031-2032	59.19	2038-2039	24.53
2025-2026	43.59	2032-2033	38.67	2039-2040	21.82

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

17 NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Provision for Gratuity	168.83	87.46	66.15	-
	168.83	87.46	66.15	-

18 INCOME TAX

18.1 Current Tax

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Current Tax	688.39	641.42	413.23
MAT Credit Entitlement	-	(10.29)	-
Income Tax for Earlier Years	(0.13)	(6.64)	(0.72)
Total Current Tax	688.26	624.49	412.51

18.2 The major components of Tax Expense for the year ended 31st March, 2019, 31st March, 2018 and 31st March, 2017 are as follows:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Recognised in the Statement of Profit and Loss			
Current Tax (Refer Note No. 18.1)	688.26	624.49	412.51
Deferred Tax:-Relating to origination and reversal of temporary differences	95.79	(91.20)	128.01
Total Tax Expenses	784.05	533.29	540.52

18.3 Reconciliation between Tax Expense / (Income) and Accounting Loss multiplied by tax rate for the year ended 31st March, 2019, 31st March, 2018 and 31st March, 2017:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Accounting profit before tax	2,681.09	3,041.30	1,589.63
Applicable tax rate (in %)	27.82%	27.82%	33.06%
Computed Tax Expenses / (Income)	745.88	846.09	525.53
Tax effect on account of:			
Property, Plant and Equipment	5.52	(341.96)	(20.01)
Expenses not allowed under Income Tax Act	33.60	36.24	1.88
Deduction allowed under Income Tax Act	(3.97)	(2.94)	(14.01)
Deduction under chapter VI A	(3.15)	(1.66)	-
MAT Credit Entitlement	5.21	(9.29)	6.78
Non consideration of surcharge for MAT Credit	(3.18)	-	-
Income Tax for Earlier Years	0.13	6.64	0.72
Others *	4.01	0.17	39.63
Income tax Expenses / (Income) recognised in the Statement of Profit and Loss	784.05	533.29	540.52

* Others include Rate difference, Dividend Income, etc.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

18 INCOME TAX (CONTD.)**18.4 19.3 Deferred Tax Liabilities / (Assets) relates to the followings :**

(₹ in Lakhs)

Particulars	Balance Sheet				Statement of Profit and Loss		
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Property, Plant and Equipment and Intangible Assets	2,954.81	2,831.23	2,903.30	2,849.34	123.58	(72.07)	53.96
Financial Assets	-	-	5.21	-	-	(5.21)	5.21
MAT	-	(5.21)	(2.95)	(9.72)	5.21	(2.26)	6.77
Items disallowed under Income Tax Act, 1961	(176.62)	(125.64)	(113.37)	(99.10)	(50.98)	(12.27)	(14.27)
Unabsorbed Depreciation	-	-	-	(75.96)	-	-	75.96
Deferred Tax Liabilities / (Assets)	2,778.19	2,700.38	2,792.19	2,664.56	77.81	(91.81)	127.64

18.5 Reconciliation of Deferred Tax Liabilities (Net):

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Opening Balance at the beginning of the year	2,700.38	2,792.19	2,664.56
Deferred Tax Expenses/(Income) recognised in the Statement of Profit and Loss	95.79	(91.20)	128.01
Deferred Tax Expenses/(Income) recognised in OCI	(17.98)	(0.61)	(0.37)
Closing Balance at the end of the year	2,778.19	2,700.38	2,792.19

19 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Secured				
Working Capital Rupee Loans from Banks	3,697.09	1,770.01	2,105.12	2,549.75
Unsecured				
Loans From Related Parties (Refer note no. 34)	50.17	11.75	312.14	308.51
Inter Corporate Deposits	45.33	138.62	328.92	1,493.98
	95.50	150.37	641.06	1,802.49
Buyer's Credits	-	184.91	892.85	1,489.46
TOTAL	3,792.59	2,105.29	3,639.03	5,841.70

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

19 CURRENT FINANCIAL LIABILITIES - BORROWINGS (CONTD.)

19.01 The working capital Loans from banks includes:

- (i) ₹ 1058.74 Lakhs secured by way of hypothecation of stocks & book-debts and further secured by collateral security of Plant & Machinery and Land & Building on plot no. M-6, MIDC, Additional Ambarnath Industrial Area, Ambarnath-421506, Maharashtra, India.
- (ii) ₹ 2638.35 Lakhs secured by Pari Passu Charge on all existing and future current assets / movable fixed assets and Collateral Security of 1) Premises no. 103, 1st floor, veena industrial premises Co-op soc. Ltd, Plot no. B-61, veera desai road, Andheri W, Mumbai 400058. 2) Unit no. 115, 1st floor, veena Industrial premises Co-op Soc Ltd, Plot no. B 61, 400058. 3) Unit no. 209B, 2nd floor, veena Industrial premises Co-op Soc Ltd, Plot no. B 61, 400058. 4) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 5) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076.

19.02 The Term loans referred to above are guaranteed by some of the directors, erstwhile directors and their relative in their personal capacities.

20 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Micro, Small and Medium Enterprises	727.51	39.88	-	-
Others	4,597.66	2,249.07	5,292.75	1,529.25
TOTAL	5,325.17	2,288.95	5,292.75	1,529.25

20.1 Disclosures of the Micro, Small And Medium Enterprises Development Act, 2006

Micro, Small and Medium Enterprises 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 :

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	727.51	39.88	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.26	-	-	-
(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	0.26	-	-	-
(vi) The amount of Further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-	-

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

21 CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Current Maturities of Long Term Debts	862.98	620.22	587.87	216.06
Interest Accrued and due	77.26	16.40	44.70	0.30
Creditors for Capital Goods	45.53	304.92	143.32	155.61
Other Payables *	118.12	94.27	88.27	121.69
TOTAL	1,103.89	1,035.81	864.16	493.66

* Other Payables mainly includes outstanding liability for expenses and payable to employees.

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Advances from Customers	142.46	599.27	153.17	393.62
Statutory Liabilities	18.34	8.74	83.88	340.13
TOTAL	160.80	608.01	237.05	733.75

23 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Provision for Gratuity	15.05	11.28	3.96	-
Provision for Stamp Duty	-	35.00	-	-
TOTAL	15.05	46.28	3.96	-

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Sale of Products	14,987.34	14,573.33	15,550.18
Sale of Services / Job Work Income	452.60	352.29	436.73
TOTAL	15,439.94	14,925.62	15,986.91

24.1 Sale of products up to 30th June 2017 includes Excise Duty, which is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST). GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year is not comparable with the previous years.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

24 REVENUE FROM OPERATIONS (CONTD.)

24.2 Revenue Disaggregation by type of Products and Services as follows :

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Heavy Engineering	6,011.12	3,564.33	3,400.64
Defence Electronics	4,686.47	7,233.68	6,775.62
Defence & Space Optics	4,742.35	4,127.61	5,810.65
TOTAL	15,439.94	14,925.62	15,986.91

24.3 Revenue disaggregation by geography is as follows:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
India	13,905.17	8,235.95	10,848.19
Outside India	1,534.77	6,689.67	5,138.72
TOTAL	15,439.94	14,925.62	15,986.91

24.4 Reconciliation of Revenue from Operations with Contract Price:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Contract Price	15,442.18	14,925.62	15,986.91
Reduction towards variables considerations components *	2.24	-	-
TOTAL	15,439.94	14,925.62	15,986.91

* The reduction towards variable consideration comprises of volume discounts, quality claims, brokerage, etc.

25 OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Interest Income from Financial assets measured at amortised cost			
- On Fixed Deposits with Banks	12.34	30.31	65.43
- On Others	3.77	-	1.74
Dividend Income	0.50	0.60	0.60
Profit on Sale of Property, Plant and Equipment (Net)	-	5.00	0.60
Gain on Foreign Currency Fluctuations (Net)	122.09	69.75	16.59
Export Incentive	128.84	215.30	49.79
Other Miscellaneous Receipts	9.47	6.67	6.12
TOTAL	277.01	327.63	140.87

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Closing Inventories			
Finished Goods	1,065.28	1,170.94	-
Work-in-Progress	2,475.74	1,206.11	2,609.78
	3,541.02	2,377.05	2,609.78
Opening Inventories			
Finished Goods	1,170.94	-	-
Work-in-Progress	1,206.11	2,609.78	2,613.89
	2,377.05	2,609.78	2,613.89
Less : Capitalised as Property, Plant and Equipment	-	(1,881.50)	-
	2,377.05	728.28	2,613.89
(Increase) / Decrease in Inventories	(1,163.97)	(1,648.77)	4.11

27 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Salaries, Wages & Allowances	812.14	608.05	482.30
Contribution to Provident and Other Funds	31.82	33.76	73.38
Welfare and Other Amenities	53.78	44.27	61.37
TOTAL	897.74	686.08	617.05

27.1 As per Ind AS - 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Ind AS are given below :

(₹ in Lakhs)

Particulars	2018-19	2017-18	2016-17
(a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under			
Employer's Contribution to Provident Fund, ESIC and Other Funds	8.43	7.23	3.58

(b) Defined Benefit Plan - Unfunded

The employees Gratuity Fund Scheme of the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

27 EMPLOYEE BENEFITS EXPENSE (CONTD.)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Actuarial Assumptions			
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Salary growth	7.50%	7.50%	7.50%
Discount rate	7.76%	7.86%	7.41%
Withdrawal Rate	2.50%	2.50%	2.50%

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Movement in present value of Defined Benefit Obligation			
Defined Benefit Obligations at the beginning of the year	98.74	70.11	-
Current Service Cost	15.47	11.13	10.15
Interest Cost	7.93	5.46	4.59
Actuarial Loss / (Gain)	61.74	(2.10)	1.13
Past Service Cost	-	14.14	54.24
Defined Benefit Obligations at the end of the year	183.88	98.74	70.11
Expense recognised in the Statement of Profit and Loss			
Current Service Cost	15.47	11.13	10.15
Interest on Defined Benefit Obligations	7.93	5.46	4.59
Past Service Cost	-	14.14	54.24
Total included in "Remuneration and Benefits to Employees"	23.40	30.73	68.98
Remeasurements (recognised in Other Comprehensive Income)			
Effect of changes in financial assumptions	1.76	(6.92)	3.67
Effect of experience adjustments	59.98	4.82	(2.54)
Amount recognised in OCI, End of Year	61.74	(2.10)	1.13

(c) Net Defined Benefit Obligations / (Assets) reconciliation

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Present Value of Obligations at the end of the year	183.88	98.74	70.11
Less : Fair Value of Plan Assets at the end of the year	-	-	-
Net Obligations / (Assets) recognised at the end of the year	183.88	98.74	70.11

- (d) 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 CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

24 EMPLOYEE BENEFITS EXPENSE (CONTD.)

27.2 Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	31st March, 2017
	Effect on Gratuity Increase / (Decrease)		
Discount Rate + 100 basis points	(14.68)	(7.88)	(6.72)
Discount Rate - 100 basis points	16.49	8.85	7.26
Salary Escalation Rate + 100 basis points	6.35	3.41	3.97
Salary Escalation Rate - 100 basis points	(5.48)	(2.95)	(0.75)
Withdrawal Rate+100 basis points	6.39	-	-
Withdrawal Rate-100 basis points	(5.71)	-	-

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.

27.3 Expected payments towards contributions to Gratuity in future years :

(₹ in Lakhs)

Year Ended	Expected Payment
31st March, 2020	15.62
31st March, 2021	12.93
31st March, 2022	8.24
31st March, 2023	19.32
31st March, 2024	7.49
31st March, 2025	75.08

27.4 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

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase in the liability.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

28 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Interest	890.97	557.88	539.03
Other Borrowing Costs	47.55	177.75	258.36
TOTAL	938.52	735.63	797.39

28.1 Above includes, Interest of ₹ 126.64 lakhs (Previous Year ₹ 19.92 lakhs) on late payment of Advance Tax.

29 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	891.16	644.59	525.25
Amortisation of Intangible Assets (Refer Note No. 3)	49.39	23.53	0.08
TOTAL	940.55	668.12	525.33

30 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
MANUFACTURING EXPENSES			
Consumables, Stores and Spares Consumed	157.16	-	-
Power and Fuel	218.26	164.88	55.67
Labour Charges	308.50	453.36	372.66
Repairs and Maintenance -			
Plant and Equipment	0.19	-	-
Others	16.94	26.01	25.64
Technical Services	17.73	33.87	220.64
Other Manufacturing Expenses	30.99	56.45	40.17
	749.77	734.57	714.78
SELLING AND DISTRIBUTION EXPENSES			
Advertisement and Business Promotion	206.96	110.50	61.93
Late Delivery charges	62.78	63.61	28.53
Packing & Forwarding Expenses	14.01	8.96	9.60
Others	17.47	13.77	10.68
	301.22	196.84	110.74

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

30 OTHER EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
ADMINISTRATIVE EXPENSES			
Insurance	6.60	17.21	12.01
Rent	23.27	14.24	10.67
Rates and Taxes	45.28	36.32	441.45
Printing and Stationery	11.89	9.20	8.86
Communication Expenses	10.12	12.52	13.25
Travelling and Conveyance	269.10	225.69	247.55
Legal and Professional Charges	124.09	130.68	97.22
Payment to Auditors (Refer Note no. 30.1)	22.16	3.55	2.80
Security Expenses	16.81	16.02	16.87
Office Expenses	32.82	67.61	72.93
Stamp Duty	-	35.45	16.59
Director Sitting fees	11.00	-	-
Miscellaneous Expenses	72.19	75.68	47.16
	645.33	644.17	987.36
OTHER EXPENSES			
Bank Charges	36.63	-	-
Bad Debts / Advances written off	42.16	61.71	42.55
Provision for Expected Credit Loss	66.77	22.84	(24.85)
Donation	0.75	13.17	1.77
Corporate Social Responsibility Expenditure (Refer Note No. 35)	22.61	-	-
Loss on discard of Property, Plant and Equipment	5.39	-	-
	174.31	97.72	19.47
TOTAL	1,870.63	1,673.30	1,832.35

30.1 Break-up of Payment to Auditors :

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Audit Fees	18.16	2.50	2.25
Tax Audit Fees	4.00	1.05	0.55
TOTAL	22.16	3.55	2.80

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

31 EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Basic Earnings Per Share			
Profit for the year	1,897.04	2,508.01	1,049.11
Weighted average number of Equity Shares (Nos.)	56,22,808	55,82,534	50,10,000
Basic Earnings Per Share of ₹ 10/- each	33.74	44.93	20.94
Diluted Earnings Per Share			
Amount available for calculation of Diluted EPS	1,897.04	2,508.01	1,049.11
Weighted average number of Equity Shares (Nos.)	56,22,808	55,82,534	50,10,000
Add : Potential number of Equity Shares	38,521	-	-
No. of shares used for calculation of Diluted EPS	56,61,329	55,82,534	50,10,000
Diluted Earnings Per Share of ₹ 10/- each	33.51	44.93	20.94

32 AMALGAMATION SCHEMES IN PREVIOUS FINANCIAL YEAR

National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated 7th June, 2018 approved the schemes of amalgamation (the "schemes") amongst Mechvac India Limited ("the Mechvac", a subsidiary company), Concept Shapers & Electronics Private Limited ("the Concept", a subsidiary company) and Paras Defence & Space Technologies Limited ("Paras",) ("Transferee Company"/"the Company or Holding Company"). The Schemes became effective from 25th June, 2018, being the date of filing the NCLT order with the Registrar of Companies. The appointed date as per the approved Scheme was 1st April, 2017 and accordingly the Company has given the effect of amalgamation in the financial statements for the year ended 31st March, 2018. Since the Mechvac and the Concept are under the common control of the Company, the Company has considered the method of accounting as per Appendix C of Ind AS 103 "Business Combination" in the transition to Ind AS.

33 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
A Contingent Liabilities (to the extend not provided for)				
I GUARANTEES				
Guarantees given by the Company's Bankers	1,719.72	1,403.35	1,065.01	1,084.01
(Bank guarantees are provided under contractual / legal obligation)				
TOTAL	1,719.72	1,403.35	1,065.01	1,084.01
II LETTER OF CREDIT OUTSTANDING				
Letters of Credit opened in favour of Suppliers	111.34	53.30	180.99	130.97
TOTAL	111.34	53.30	180.99	130.97
B Capital Commitments :				
Estimated amount of contracts to be executed on capital account not provided for	-	148.94	76.93	-
Commitment towards EPCG License	561.28	1,314.24	1,065.55	142.36

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

34 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 years, are as detail below:

List of Related Parties :

(As certified by the Management)

I Key Management Personnel and their Relatives

- i Mr. Sharad Shah
- ii Mr. Munjal Sharad Shah
- iii Mrs. Shilpa Amit Mahajan (w.e.f. 25th June, 2018)
- iv Mr. Prasantamadhhab Barua (From 20th August, 2018 to 3rd November, 2018)
- v Mr. Mansi Sharma (From 20th August, 2018 to 1st March, 2019)
- vi Mrs. Ami Munjal Shah (upto 25th September, 2018)

II Key Managerial Personnel Relatives

- i Mrs. Ami Munjal Shah
- ii Mrs. Niranjana Shah
- iii Mr. Harsh Bhansali
- iv Mrs. Kaajal Bhansali
- v Mr. Anish Mehta
- vi Mr. Amit Mahajan

III 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 Remy Entertainment & Banquets Private Limited

A Transactions with Related Parties :

		(₹ in Lakhs)		
Nature of Transactions	Name of the Related Parties	2018-19	2017-18	2016-17
Advance Against Property	Mr. Sharad Shah	-	-	527.96
	Mr. Munjal Sharad Shah	146.00	-	-
Advance return back on the cancellation of contract	Mr. Sharad Shah	-	-	528.20
	Mr. Munjal Sharad Shah	146.00	-	-
Director Sitting Fees	Mr. Sharad Shah	7.00	-	-
Managerial Remuneration	Mr. Munjal Sharad Shah	39.00	18.00	15.00
	Mrs. Shilpa Amit Mahajan	12.00	-	-
	Mr. Sharad Shah	9.00	18.00	15.00
	Mrs. Ami Munjal Shah	7.50	15.00	12.00
	Mrs. Mansi Sharma	3.44	-	-
	Mr. Prasanta Barua	5.89	-	-
Salary to relatives	Mr. Harsh Bhansali	12.00	12.15	12.15
	Mrs. Kaajal Bhansali	10.50	9.15	9.15
	Mrs. Ami Munjal Shah	15.00	-	-
	Mr. Amit Mahajan	12.00	-	-
	Mr. Anish Mehta	3.35	3.47	3.47

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

35 RELATED PARTY DISCLOSURES : (CONTD.)

(₹ in Lakhs)

Nature of Transactions	Name of the Related Parties	2018-19	2017-18	2016-17
Loans Taken	Mr. Munjal Sharad Shah	293.00	463.50	380.75
	Mr. Sharad Shah	63.58	293.40	-
Loans Repaid	Mr. Munjal Sharad Shah	298.38	763.89	253.89
	Mr. Sharad Shah	18.68	293.40	11.13
	Mrs. Ami Munjal Shah	1.10	-	-

(₹ in Lakhs)

Name of the Related Parties	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current-Borrowings - Loan				
Mr. Munjal S. Shah	5.27	10.65	311.04	184.18
Mr. Sharad Virji Shah	44.90	-	-	11.13
Mrs. Ami Munjal Shah	-	1.10	1.10	1.10
Other Non current Assets- Capital Advances				
Mr. Sharad Shah	-	-	-	0.23
Other Payables (Salary Payable)				
Mr. Munjal S. Shah	0.88	1.13	-	10.02
Mr. Sharad Virji Shah	2.79	2.40	0.10	19.67
Mrs. Ami Munjal Shah	2.18	2.52	0.82	10.39
Mrs. Shilpa Mahajan	0.49	-	-	-
Mr. Harsh Bhansali	1.84	0.43	1.30	-
Mrs. Kaajal Bhansali	4.23	6.77	9.07	0.71
Mr. Amit Mahajan	0.82	-	-	-
Mr. Anish Mehta	0.28	0.28	0.28	0.28

(₹ in Lakhs)

C. Compensation to Key Management Personnel of the Group	2018-19	2017-18	2016-17
Nature of transaction			
Short-term employee benefits	76.83	51.00	42.00
Post-employment benefits	8.64	10.86	-
Total compensation to Key Management Personnel	85.47	61.86	42.00

36 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 ₹ 22.47 Lakhs.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

36 EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII. (CONTD.)

- b. Expenditure incurred related to Corporate Social Responsibility is ₹ 22.61 Lakhs.

Details of Expenditure incurred towards CSR given below:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Environmental Sustainability	18.76		
Health Care, Sanitation and providing Drinking Water	3.34	-	-
Promotion and Development of Traditional Art and Culture, Community Welfare	0.51	-	-
TOTAL	22.61	-	-

36 FAIR VALUES**36.1 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

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial Assets designated at Fair Value through profit and loss:-				
- Investments	5.00	5.00	5.00	5.00

b) Financial Assets / Liabilities designated at Amortised Cost:-

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :								
Financial Assets designated at Amortised Cost:-								
- Trade Receivable	8,322.72	8,322.72	2,529.36	2,529.36	5,751.50	5,751.50	2,362.39	2,362.39
- Cash and cash equivalents	17.88	17.88	37.25	37.25	88.48	88.48	1,709.03	1,709.03
- Bank Balance other than Cash and Cash Equivalents	167.83	167.83	229.20	229.20	682.03	682.03	780.93	780.93
- Loans	15.14	15.14	8.00	8.00	1.25	1.25	-	-
- Others	93.72	93.72	137.35	137.35	95.81	95.81	117.93	117.93
TOTAL	8,617.29	8,617.29	2,941.16	2,941.16	6,619.07	6,619.07	4,970.28	4,970.28

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

36 FAIR VALUES (CONTD.)

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities designated at Amortised Cost:-								
- Borrowings	7,624.61	7,624.61	6,015.82	6,015.82	4,930.79	4,930.79	6,947.45	6,947.45
- Trade Payable	5,325.17	5,325.17	2,288.95	2,288.95	5,292.75	5,292.75	1,529.25	1,529.25
- Other Financial Liabilities	1,103.89	1,103.89	1,035.81	1,035.81	864.16	864.16	493.66	493.66
TOTAL	14,053.67	14,053.67	9,340.58	9,340.58	11,087.70	11,087.70	8,970.36	8,970.36

36.2 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 Secured Non-current Borrowings is 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.

36.3 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.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

36 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	31st March, 2019		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments #	-	-	5.00

Particulars	31st March, 2018		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments #	-	-	5.00

Particulars	31st March, 2017		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments #	-	-	5.00

Particulars	01st April, 2016		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments #	-	-	5.00

since the investments under level 3 category are not material, so the disclosure for the same is not given.

37 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES

The Group is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the Group under policies approved by the 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 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. Board etc.). The results of these activities ensure that risk management plan is effective in the long term.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

37 FINANCIAL RISK MANAGEMENT (CONTD.)

37.1 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 three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The sensitivity analysis relate to the position as at 31st March, 2019, 31st March, 2018 and 31st March, 2017.

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. The Group 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 Group regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

The following table demonstrates the sensitivity in the USD, EURO, GBP, SGD and Euro to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax (PBT) due to changes in the fair values of monetary assets and liabilities is given below:

Unhedged Foreign currency exposure as at 31st March, 2019	Currency	Amount in FC	₹ in lakhs
Trade Receivable	USD	6,70,240	463.50
Trade Payable	USD	8,71,418	602.63
Trade Payable	EURO	12,972	10.08
Trade Payable	SGD	800	0.41
Trade Payable	GBP	8,967	8.12
Unhedged Foreign currency exposure as at 31st March, 2018	Currency	Amount in FC	₹ in lakhs
Trade Receivable	USD	20,51,086	1,334.03
Trade Payable	USD	2,25,670	146.78
Trade Payable	GBP	2,306	2.13
Trade Payable	SGD	595	0.30
Unhedged Foreign currency exposure as at 31st March, 2017	Currency	Amount in FC	₹ in lakhs
Trade Receivable	USD	4881405	3215.08
Trade Payable	USD	351058	227.62
Trade Payable	GBP	3801	3.07
Trade Payable	SGD	614	0.29

(a) Foreign Currency Sensitivity

2% increase or decrease in foreign exchange rates will have the following impact on Profit Before Tax (PBT):-

(₹ in Lakhs)

Particulars	2018-19		2017-18		2016-17	
	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)
USD	(2.78)	2.78	23.75	(23.75)	59.75	(59.75)
EURO	(0.20)	0.20	-	-		
GBP	(0.16)	0.16	(0.04)	0.04	(0.06)	0.06
SGD	(0.01)	0.01	(0.01)	0.01	(0.01)	0.01
Increase / (Decrease) in Profit Before Tax	(3.15)	3.15	23.70	(23.70)	59.68	(59.68)

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

37 FINANCIAL RISK MANAGEMENT (CONTD.)

(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 . Also, the Group is having current borrowings in the form of working capital, suppliers credit and inter corporate deposits. There is a fixed rate of interest in case of supplier credit, vehicle loan and inter corporate deposits and hence, there is no interest rate risk associated with these borrowings. The Group is exposed to interest rate risk associated with term loan and working capital facility due to floating rate of interest.

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.

(₹ in Lakhs)

Particulars	2018-19		2017-18		2016-17	
	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)
Working Capital Facility	(73.94)	73.94	(35.40)	35.40	(42.10)	42.10
Term Loan From Banks	(85.07)	85.07	(79.02)	79.02	(27.42)	27.42
Increase / (Decrease) in Profit Before Tax	(159.01)	159.01	(114.42)	114.42	(69.52)	69.52

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

37.2 Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

a) Trade Receivables:-

The Group measures the expected credit loss of trade receivables, which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Group has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the trade receivable and provision made.

(₹ in Lakhs)

Particulars	31st March, 2019		31st March, 2018		31st March, 2017	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	8,687.23	364.51	2,827.10	297.74	6,026.40	274.90

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

37 FINANCIAL RISK MANAGEMENT (CONTD.)

The following table summarises the changes in the Provisions made for the receivables:

(₹ in Lakhs)

Particulars	31st	31st	31st
	March, 2019	March, 2018	March, 2017
Opening Balances	297.74	274.90	299.75
Provided during the year	66.77	22.84	(24.85)
Closing Balances	364.51	297.74	274.90

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.

37.3 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 suppliers credit and working capital 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 :

(₹ in Lakhs)

Particulars	Maturity				Total
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	
As at 31st March, 2019					
Non Current Borrowings	-	-	2,913.40	926.18	3,839.58
Short Term Borrowings	3,792.59	-	-	-	3,792.59
Trade Payable	-	5,325.17	-	-	5,325.17
Other Financial Liabilities	-	1,103.89	-	-	1,103.89
TOTAL	3,792.59	6,429.06	2,913.40	926.18	14,061.23
As at 31st March, 2018					
Non Current Borrowings	-	-	2,856.11	1,063.70	3,919.81
Short Term Borrowings	1,920.38	184.91	-	-	2,105.29
Trade Payable	-	2,288.95	-	-	2,288.95
Other Financial Liabilities	-	1,035.80	-	-	1,035.80
TOTAL	1,920.38	3,509.66	2,856.11	1,063.70	9,349.85

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

37 FINANCIAL RISK MANAGEMENT (CONTD.)

(₹ in Lakhs)

Particulars	Maturity				Total
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	
As at 31st March, 2017					
Non Current Borrowings			763.42	546.78	1,310.19
Short Term Borrowings	2,746.18	892.85			3,639.03
Trade Payable		5,292.75			5,292.75
Other Financial Liabilities		864.16			864.16
TOTAL	2,746.18	7,049.76	763.42	546.78	11,106.13
As at 1st April, 2016					
Non Current Borrowings			895.09	210.67	1,105.75
Short Term Borrowings	4,352.23	1,489.46			5,841.70
Trade Payable		1,529.25			1,529.25
Other Financial Liabilities		493.66			493.66
TOTAL	4,352.23	3,512.37	895.09	210.67	8,970.36

37.4 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.

38 CAPITAL RISK MANAGEMENT

For the purpose of Group's capital management, capital includes issued capital, all other equity reserves and 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, other bank balances, non current bank deposits. Equity comprises all components including other comprehensive income.

The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Total Debt	8,487.59	6,636.04	5,518.65	7,163.50
Less: Cash and cash equivalent	17.88	37.25	88.48	1,709.03
Less: Other Bank Balances	167.83	229.20	682.03	780.93
Less: Non current Bank Deposits	42.43	78.97	51.15	107.24
Net Debt	8,259.45	6,290.62	4,696.99	4,566.30
Equity (Equity Share Capital plus Other Equity)	15,236.65	12,383.37	9,841.59	8,808.41
Total Capital (Equity + Net Debts)	23,496.10	18,673.99	14,538.59	13,374.71
Gearing ratio	35.15%	33.69%	32.31%	34.14%

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

39 FIRST TIME ADOPTION OF IND AS

39.1 Basis of Preparation :

For all period up to the year ended 31st March, 2018, the Group has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian/Previous GAAP). These financial statements for the year ended 31st March, 2019 are the Group's first annual Ind AS financial statements and have been prepared in accordance with Ind AS.

Accordingly, the Group has prepared financial statements, which comply with Ind AS, applicable for periods beginning on or after 1st April, 2016 as described in the accounting policies. In preparing these financial statements, the Group's opening Balance Sheet was prepared as at 1st April, 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP Balance Sheet as at 1st April, 2016 and its previously published Indian GAAP financial statements for the year ended 31st March, 2018 and 31st March, 2017.

39.2 "Exemptions Applied" :

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

- 1) Determining whether an arrangement contains a Lease:-** The Group has opted to apply the Appendix C of Ind AS 17 - Determining whether an Arrangement contains a Lease, to determine whether the arrangements existing as on the transition date contains a lease, on the basis of facts and circumstances existing as at the transition date.
- 2) Fair value measurement of Financial Assets and Financial Liabilities:-** Fair value measurement of Financial Assets and Financial Liabilities at initial recognition:- Financial Assets and Liabilities are initially recognised at Transaction Price and subsequently measured at Amortised Cost, FVTOCI or FVTPL as applicable less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.
- 3) Business Combination exception:-** The Group has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combination" to business combinations consummated prior to April 01, 2016 (the transition date), pursuant to which General Reserve arising from a business combination has been stated at the Carrying amount prior to transition date under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisition of subsidiaries consummated prior to the transition date.
- 4) Fair value as deemed cost exemption:-** The Group has elected to measure items of property, plant and equipment and intangible assets at its fair value at the transition date as deemed cost.
- 5) Investment in Subsidiaries:-** The Group has selected to measure investments in subsidiaries at cost.

39.3 Mandatory Exceptions Applied

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

- 1) Estimates:-** The Group's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP except where Ind AS required a different basis for estimates as compared to the Indian GAAP.
- 2) Classification and measurement of Financial Assets:-** The Group has classified & measured the financial assets in accordance with Ind AS 109 "Financial Instruments" on the basis of facts and circumstances that exist at the date of transition to Ind AS.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

40 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS)

40.1 Effect of Ind AS adoption on the Consolidated Balancesheet as at 1st April, 2016

(₹ in Lakhs)

Particulars	Indian GAAP	Effects of transition to Ind AS	Ind AS
I. ASSETS			
1) Non Current Assets			
(a) Property, Plant and Equipment	8,669.45	3,516.44	12,185.89
(b) Intangible Assets	0.14	-	0.14
(c) Financial Assets			
(i) Investments	5.00	-	5.00
(ii) Other financial assets	107.24	-	107.24
(d) Other Non Current Assets	96.26	-	96.26
2) Current Assets			
(a) Inventories	3,299.16	-	3,299.16
(b) Financial Assets			
(i) Trade Receivables	2,662.14	(299.75)	2,362.39
(ii) Cash and Cash Equivalents	1,709.03	-	1,709.03
(iii) Bank Balances other than (ii) above	780.93	-	780.93
(iv) Others	1.46	9.23	10.69
(c) Other Current Assets	675.30	-	675.30
TOTAL ASSETS	18,006.11	3,225.92	21,232.03
EQUITY			
(a) Equity Share Capital	501.00	-	501.00
(b) Other Equity	6,239.47	171.92	6,411.39
Equity attributable to Owners	6,740.47	171.92	6,912.39
Non Controlling Interest	1,172.27	723.75	1,896.02
TOTAL EQUITY	7,912.74	895.67	8,808.41
LIABILITIES			
1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,105.75	-	1,105.75
(b) Deferred Tax Liabilities (Net)	334.61	2,329.95	2,664.56
2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	5,841.70	-	5,841.70
(ii) Trade Payables			
Total Outstanding dues of Micro enterprises and small enterprises	-	-	-
Total Outstanding dues of creditors other than Micro enterprises and small enterprises	1,529.25	-	1,529.25
(iii) Other Financial Liabilities	493.36	0.30	493.66
(b) Other Current Liabilities	733.75	-	733.75
(c) Current Tax Liabilities (Net)	54.95	-	54.95
TOTAL EQUITY AND LIABILITIES	18,006.11	3,225.92	21,232.03

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

40 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)

40.2 Effect of Ind AS adoption on the Consolidated Balancesheet as at 31st March, 2017

(₹ in Lakhs)

Particulars	Indian GAAP	Effects of transition to Ind AS	Ind AS
I. ASSETS			
1) Non Current Assets			
(a) Property, Plant and Equipment	10,585.85	1,807.41	12,393.26
(b) Intangible Assets	0.08	(0.02)	0.06
(c) Financial Assets			
(i) Investments	5.00	-	5.00
(ii) Other Financial Assets	51.15	-	51.15
(d) Other Non Current Assets	507.51	-	507.51
2) Current Assets			
(a) Inventories	4,213.26	-	4,213.26
(b) Financial Assets			
(i) Trade Receivables	6,026.40	(274.90)	5,751.50
(ii) Cash and Cash Equivalents	88.48	-	88.48
(iii) Bank Balances other than (ii) above	682.03	-	682.03
(iv) Loan	1.25	-	1.25
(v) Others	0.57	44.09	44.66
(c) Other Current Assets	599.73	-	599.73
TOTAL ASSETS	22,761.30	1,576.58	24,337.89
EQUITY			
(a) Equity Share Capital	501.00	-	501.00
(b) Other Equity	8,941.34	(1,587.98)	7,353.36
Equity attributable to Owners	9,442.34	(1,587.98)	7,854.36
Non Controlling Interest	1,284.29	702.95	1,987.23
TOTAL EQUITY	10,726.63	(885.03)	9,841.59
LIABILITIES			
1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,310.20	(18.44)	1,291.76
(b) Provisions	-	66.15	66.15
(c) Deferred Tax Liabilities (Net)	426.92	2,365.27	2,792.19
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3,639.03	-	3,639.03
(ii) Trade Payables			
Total Outstanding dues of Micro enterprises and small enterprises	-	-	-
Total Outstanding dues of creditors other than Micro enterprises and small enterprises	5,292.75	-	5,292.75
(iii) Other Financial Liabilities	819.46	44.70	864.16
(b) Other Current Liabilities	237.05	-	237.05
(c) Provisions	0.00	3.96	3.96
(d) Current Tax Liabilities (Net)	309.25	-	309.25
TOTAL EQUITY AND LIABILITIES	22,761.29	1,576.58	24,337.89

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

40 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)**40.3 Effect of Ind AS adoption on the Consolidated Statement of Profit & Loss for the year ended 31st March, 2017**

(₹ in Lakhs)

Particulars	Indian GAAP	Effects of transition to Ind AS	Ind AS
Revenue from Operations	15,986.91	-	15,986.91
Other Income	178.42	(37.55)	140.87
Total Income	16,165.33	(37.55)	16,127.78
Expenses			
Cost of Materials Consumed	9,224.40	-	9,224.40
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	4.11	-	4.11
Excise Duty and Service Tax	1,537.52	-	1,537.52
Employee Benefits Expense	548.07	68.98	617.05
Finance Costs	806.29	(8.90)	797.39
Depreciation and Amortisation Expense	462.16	63.17	525.33
Other Expenses	1,857.20	(24.85)	1,832.35
Total Expenses	14,439.76	98.40	14,538.15
Profit Before Exceptional Items and Tax	1,725.57	(135.95)	1,589.63
Exceptional Items	-	-	-
Profit/Loss Before Tax	1,725.57	(135.95)	1,589.63
Tax Expenses :			
Current Tax	413.23	-	413.23
Deferred Tax	92.31	35.70	128.01
Income Tax for Earlier Years	(0.72)	-	(0.72)
	504.82	35.70	540.52
Profit/(Loss) for the Year	1,220.75	(171.65)	1,049.11
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement (Gains) / Losses on Defined Benefit Plans	-	1.13	1.13
Tax Effect on above	-	(0.37)	(0.37)
Items that will be reclassified to profit or loss	-	-	-
Total Other Comprehensive Income (Net of Tax)	-	0.76	0.76
Total Comprehensive Income for the Year	1,220.75	(172.40)	1,048.35

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

40 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)

40.4 Effect of Ind AS adoption on the Consolidated Statement of Profit & Loss for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Indian GAAP	Effects of transition to Ind AS	Ind AS
I. ASSETS			
1) Non Current Assets			
(a) Property, Plant and Equipment	15,116.21	1,857.71	16,973.92
(b) Capital Work in Progress	120.68	-	120.68
(c) Intangible Assets	122.66	39.67	162.33
(d) Financial Assets			
(i) Investments	5.00	-	5.00
(ii) Other Financial Assets	78.97	-	78.97
(e) Other Non Current Assets	156.60	-	156.60
2) Current Assets			
(a) Inventories	4,379.37	-	4,379.37
(b) Financial Assets			
(i) Trade Receivables	2,827.10	(297.74)	2,529.36
(ii) Cash and Cash Equivalents	37.25	-	37.25
(iii) Bank Balances other than (ii) above	229.20	-	229.20
(iv) Loans	8.00	-	8.00
(v) Others	0.50	57.88	58.38
(c) Other Current Assets	940.82	-	940.82
TOTAL ASSETS	24,022.37	1,657.53	25,679.88
EQUITY			
(a) Equity Share Capital	558.25	-	558.25
(b) Other Equity	12,375.31	(550.19)	11,825.12
LIABILITIES			
1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3,868.05	42.48	3,910.53
(b) Provisions	87.46	-	87.46
(c) Deferred Tax Liabilities (Net)	551.54	2,148.84	2,700.38
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2,105.29	-	2,105.29
(ii) Trade Payables			
Total Outstanding dues of Micro enterprises and small enterprises	39.44		39.44
Total Outstanding dues of creditors other than Micro enterprises and small enterprises	2,249.51		2,249.51
(iii) Other Financial Liabilities	1,019.41	16.40	1,035.81
(b) Other Current Liabilities	608.01	-	608.01
(c) Provisions	46.28	-	46.28
(d) Current Tax Liabilities (Net)	513.80	-	513.80
TOTAL EQUITY AND LIABILITIES	24,022.37	1,657.53	25,679.88

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

40 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)

40.5 Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Indian GAAP	Adjustments	Ind AS
Revenue from Operations	14,925.62	-	14,925.62
Other Income	327.63	-	327.63
Total Income	15,253.25	-	15,253.25
Expenses			
Cost of Materials Consumed	9,480.54	-	9,480.54
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	(1,648.77)	-	(1,648.77)
Excise Duty and Service Tax	617.05	-	617.05
Employee Benefits Expense	758.29	(72.22)	686.08
Finance Costs	715.74	19.89	735.63
Depreciation and Amortisation Expense	694.39	(26.26)	668.12
Other Expenses	1,650.47	22.83	1,673.30
TOTAL EXPENSES	12,267.70	(55.74)	12,211.95
Profit Before Exceptional Items and Tax	2,985.55	55.74	3,041.30
Exceptional Items	-	-	-
Profit Before Tax	2,985.55	55.74	3,041.30
Tax Expenses :	-	-	-
Current Tax	641.42	-	641.42
MAT Credit Entitlement	(10.29)	-	(10.29)
Deferred Tax	124.61	(215.81)	(91.20)
Short / (Excess) provision for tax of earlier year(s)	(6.64)	-	(6.64)
	749.10	(215.81)	533.29
Profit for the Year	2,236.45	271.57	2,508.01
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement (Gains) / Losses on Defined Benefit Plans	-	2.11	2.11
Tax Effect on above	-	(0.61)	(0.61)
Items that will be reclassified to profit or loss	-	-	-
Total Other Comprehensive Income (Net of Tax)	-	1.49	1.49
Total Comprehensive Income for the Year	2,236.45	270.07	2,506.52

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

40 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS) (CONTD.)

40.6 Reconciliation of profit and other equity (including Non Controlling Interest) between previously reported under previous GAAP and Ind AS.

(₹ in Lakhs)

Sr. No.	Particulars	Foot Notes	Profit for the year ended 31st March, 2018	Profit for the year ended 31st March, 2017	Other Equity (Including Non Controlling Interest) as at 31st March, 2018	Other Equity (Including Non Controlling Interest) as at 31st March, 2017	Other Equity (Including Non Controlling Interest) as at 1st April, 2016
	Net Profit/ (Loss) Other Equity as per Previous Indian GAAP		2,236.45	1,220.75	12,375.31	10,225.63	7,411.74
1	Fair Valuation of Property, Plant & Equipment	I	-	(37.55)	1,829.70	1,870.58	3,516.44
2	Financial Assets	II	(22.84)	24.85	(283.27)	(275.51)	(290.52)
3	Financial Liabilities	III	(19.89)	8.90	9.29	18.44	(0.30)
4	Remeasurement of Defined Benefit Plans	IV	72.22	(68.97)	0.61	(70.11)	-
5	Depreciation	I	26.26	(63.17)	42.93	(63.17)	-
6	Impact of Deferred Tax	V	215.81	(35.70)	(2,149.45)	(2,365.27)	(2,329.95)
	Net Loss after Tax (Before OCI) / Other Equity		2,508.01	1,049.11	11,825.12	9,340.59	8,307.41
7	Other Comprehensive Income	IV	(1.49)	(0.76)			
	Total Comprehensive Income / Other Equity as per Ind AS		2,506.52	1,048.35			

Footnotes to the Reconciliation:

I Fair Valuation of Property, Plant & Equipment

The Group has considered fair value for Property, Plant & Equipment in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves and depreciation thereafter are recognised in statement of profit and loss.

II Financial Assets

The Company has valued financial assets, including trade receivables (allowance for expected credit loss), Government Grant receivables, etc. at fair value. Impact of fair value changes on the date of transition, is recognised in opening reserves and changes thereafter are recognised in statement of profit and loss.

III Financial Liabilities

The Company has valued financial liabilities including Borrowing from DSIR, at fair value, as per Ind AS 109 "Financial Instruments". Impact of fair value changes on the date of transition, if any, is recognised in opening reserves and changes thereafter are recognised in statement of profit and loss.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

40 DISCLOSURE AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD" (IND AS)(CONTD.)

IV Remeasurement of Defined Benefit Plans

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains or losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through Other Comprehensive Income (OCI).

V Deferred Tax

Indian GAAP requires deferred tax accounting using the Income Statement approach, which focuses on differences between taxable profits and accounting profits for the period / year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. The impact of transitional adjustments for computation of deferred taxes has resulted in charge to Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss and OCI for the subsequent periods.

VI Statement of Cash Flows

The Ind AS adjustments are either non cash adjustments or regrouping among the cash flow from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP.

41 STANDARDS ISSUED BUT NOT EFFECTIVE :

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - "Leases" and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April, 2019.

41.1 Issue of Ind AS 116 - "Leases"

Ind AS 116 will replace the existing leases Standard, Ind AS 17 - "Leases", and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS.

41.2 Amendment to Existing issued Ind AS

The MCA has also notified certain amendments to the following Indian Accounting Standards:

- i) Ind AS 12 - Income Taxes
- ii) Ind AS 19 - Employee Benefits

Applications of the above standards are not expected to have any significant impact on the Company's Financial Statements.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

42 SEGMENT REPORTING

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

I Segment wise Revenue

Particulars	For the Year ended		
	31st March, 2019	31st March, 2018	31st March, 2017
Segment Revenue			
a. Heavy Engineering	6,011.12	3,564.33	3,400.64
b. Defence & Space Optics	4,742.35	4,127.61	5,810.65
c. Defence Electronics	4,686.47	7,233.88	6,775.62
Income From Operations	15,439.94	14,925.62	15,986.91
Segment Results			
a. Heavy Engineering	1,046.79	1,803.17	240.30
b. Defence & Space Optics	3,462.82	1,264.94	2,566.77
c. Defence Electronics	838.27	2,002.19	1,335.24
TOTAL	5,347.88	5,070.30	4,142.31
i) Finance Costs	(938.52)	(735.63)	(797.39)
ii) Other unallocable expenditure	(2,005.28)	(1,620.99)	(1,896.16)
iii) Unallocable Income	277.01	327.63	140.87
Profit before exceptional items and Tax	2,681.09	3,041.30	1,589.63
Exceptional items	-	-	-
Profit Before Tax	2,681.09	3,041.30	1,589.63

II Segment wise Assets and Liabilities:

Particulars	As at			
	31st March, 2019	31st March, 2018	31st March, 2017	1st April, 2016
Segment Assets				
a. Heavy Engineering	14,148.95	9,982.91	7,945.13	7,494.78
b. Defence & Space Optics	9,897.35	7,630.07	7,536.27	5,961.49
c. Defence Electronics	5,389.61	4,095.38	4,810.09	1,826.69
d. Unallocable	3,538.73	3,971.52	4,046.40	5,949.07
Total	32,974.64	25,679.88	24,337.89	21,232.03
Segment Liabilities				
a. Heavy Engineering	1,810.98	2,004.28	1,087.59	1,267.17
b. Defence & Space Optics	3,008.02	383.33	666.32	337.28
c. Defence Electronics	618.05	805.55	3,835.33	474.03
d. Unallocable	12,300.94	10,103.35	8,907.06	10,345.14
TOTAL	17,737.99	13,296.51	14,496.30	12,423.62

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

42 SEGMENT REPORTING (CONTD.)

III Other Informations

Particulars	For the Year ended		
	31st March, 2019	31st March, 2018	31st March, 2017
Capital Expenditure	965.62	4,971.85	1,223.69
Depreciation	940.55	668.12	525.33
Non-cash Expenses other than Depreciation	66.77	22.84	-

B. Segment Identification, Reportable Segments and definition of each segment :

I Reportable Segments :

The Group's operating segments are established on the basis of those components that are evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and in assessing performance. These have been identified and reported taking into account the differing risks and returns, nature of products, the organisational structure and the internal reporting system of the Group.

II Primary / Secondary Segment Reporting Format :

- The risk-return profile of the Group's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.
- Since all the operations of the Group are predominantly conducted within India, there are no separate reportable segments.
- No Non-Current Assets of the Company is located outside India as on 31st March, 2019, 31st March 2018 and 31st March, 2017.

III. Segment Composition :

- Heavy Engineering segment is engaged in manufacture and sale of Flow Formed Rockets/ Missile Motor Tubes, Radar Array cooling assemblies for Naval Applications, Turnkey projects.
- Defence & Space Optics Segment comprises of manufacture and sale of Infra Red Lenses for Night Vision Devices, Space Optics/Gratings/Mirrors, Reflex Sights, Precision Diamond Turned components.
- Defence Electronics Segment comprises of Defence Automation & Control systems, Rugged Command & Control Consoles and EMP Solutions.

IV Information about major customers:

- Revenue from operations include ₹ 5210.65 Lakhs (31st March, 2018 : 7510.65 lakhs and 31st March, 2017 : 10234.05 lakhs) from two customers (31st March, 2018: two customers and 31st March, 2017 : 3 customers) having more than 10% of the total revenue.

43 GROUP INFORMATION

Name of the Company	Principal Place of Business	% Equity interest			
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Mechvac India Limited	India	-	-	87.49%	89.16%
Concept Shapers & Electronics Limited	India	-	-	50.00%	50.00%
Holland Shielding Systems (India) Private Limited	India	100.00%	100.00%	-	-
Paras Aerospace Solutions Private Limited	India	100.00%	-	-	-
Paras Green Optics Private Limited	India	100.00%	-	-	-
Paras Strategic Technologies Private Limited	India	100.00%	-	-	-
Paras Space Technologies PTE Ltd	Singapore	100.00%	-	-	-

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

44 DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION - 31ST MARCH, 2019, 31ST MARCH, 2018 AND 31ST MARCH, 2017

Name of the entity	For the Year ended 31st March, 2019							
	As at 31st March, 2019		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	Net assets (Total Assets minus Total Liabilities)	Amount (₹ In Lakhs)	As % of net consolidated profit or loss	Amount (₹ In Lakhs)	As % of net consolidated profit or loss	Amount (₹ In Lakhs)	As % of net consolidated profit or loss	Amount (₹ In Lakhs)
Parent								
Paras Defence and Space Technologies Ltd.	100.04%	15,243.14	100.36%	1,903.88	-100.00%	(43.76)	100.4%	1,860.12
Subsidiaries								
Indian								
Holland Shielding Systems (India) Private Limited	0.00%	0.07	-0.05%	(0.93)	-	-	-0.05%	(0.93)
Paras Green Optics Private Limited	0.00%	0.52	-0.03%	(0.48)	-	-	-0.03%	(0.48)
Paras Aerospace Solutions Private Limited	0.01%	0.79	-0.01%	(0.21)			-0.01%	(0.21)
Paras Strategic Technologies Private Limited	0.01%	0.86	-0.01%	(0.14)			-0.01%	(0.14)
Foreign								
Paras Space Technologies PTE Ltd	(0.03%)	(5.03)	-0.27%	(5.08)	-	-	-0.27%	(5.08)
Adjustments arising out of Consolidation	(0.02%)	(3.70)	0.00%	-	-	-	-	-
	100.00%	15,236.65	100.00%	1,897.04	(100.00%)	(43.76)	100.00%	1,853.28

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2019 (Contd.)

45 PROVISION

Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets:-

Movement in provisions:-

(₹ in Lakhs)

Nature of provision	Provision for Expected Credit loss on Trade Receivable	Provision for Stamp Duty	Total
As at 1st April, 2016	299.75	-	299.75
Provision during the year	-	-	-
Reverse during the year	(24.85)	-	(24.85)
As at 31st March, 2017	274.90	-	274.90
Provision during the year	22.84	35.00	57.84
As at 31st March, 2018	297.74	35.00	332.74
Provision during the Year	66.77	-	66.77
Payment during the Year	-	(35.00)	(35.00)
As at 31st March, 2019	364.51	-	364.51

46 The Management and authorities have the power to amend the Financial Statements in accordance with section 130 and 131 of the Companies Act, 2013.

As per our report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No. 101720W/W100355)

R. KORIA
Partner
Membership No. 35629
Place: Mumbai
Date: 7th September, 2019

For and on behalf of the Board of Directors

MUNJAL SHAH
Managing Director
DIN: 01080863

SHARAD SHAH
Chairman and Director
DIN: 00622001

AJIT SHARMA
Company Secretary
Membership No. F10165



FORM MGT - 11

PROXY FORM

[Pursuant to section 105(6) of the companies Act, 2013 and rule 19(3) of the companies (Management and Administration) Rules, 2014]

CIN: U29253MH2009PLC193352

PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

D-112, TTC Industrial Area, MIDC, Nerul,
Navi Mumbai, Mumbai City-400706, Maharashtra, India

Name of the member (s):

Registered Address:

E-mail Id:

Folio No/ client Id:

DP ID:

I/We, being the member (s) of _____shares of the above named Company, hereby Appoint

1. Name: _____
Address: _____
Email-Id: _____
Signature: _____, or falling him



2. Name: _____
Address: _____
Email-Id: _____
Signature: _____, or falling him

3. Name: _____
Address: _____
Email-Id: _____
Signature: _____, or falling him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the _____ General Meeting of the Company held on _____ day of _____ At _____ A.M/P.M. the registered office of the Company situated at D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai, Mumbai City-400706, Maharashtra, India and at any adjournment thereof in respect of such resolutions are indicated below:

- Resolution No.
- 1.....
 - 2.....
 - 3.....
 - 4.....
 - 5.....

Signed this.....day of.....20.....

Affix
Revenue
stamp

Signature of Shareholder



Signature of proxy holder(s)



ATTENDANCE SLIP

Please fill the Attendance Slip and hand it over at the entrance of the Meeting hall.

Folio No.

DP Id No.:

Client Id No.:

Name & Address of Shareholder:

No. of Shares held:

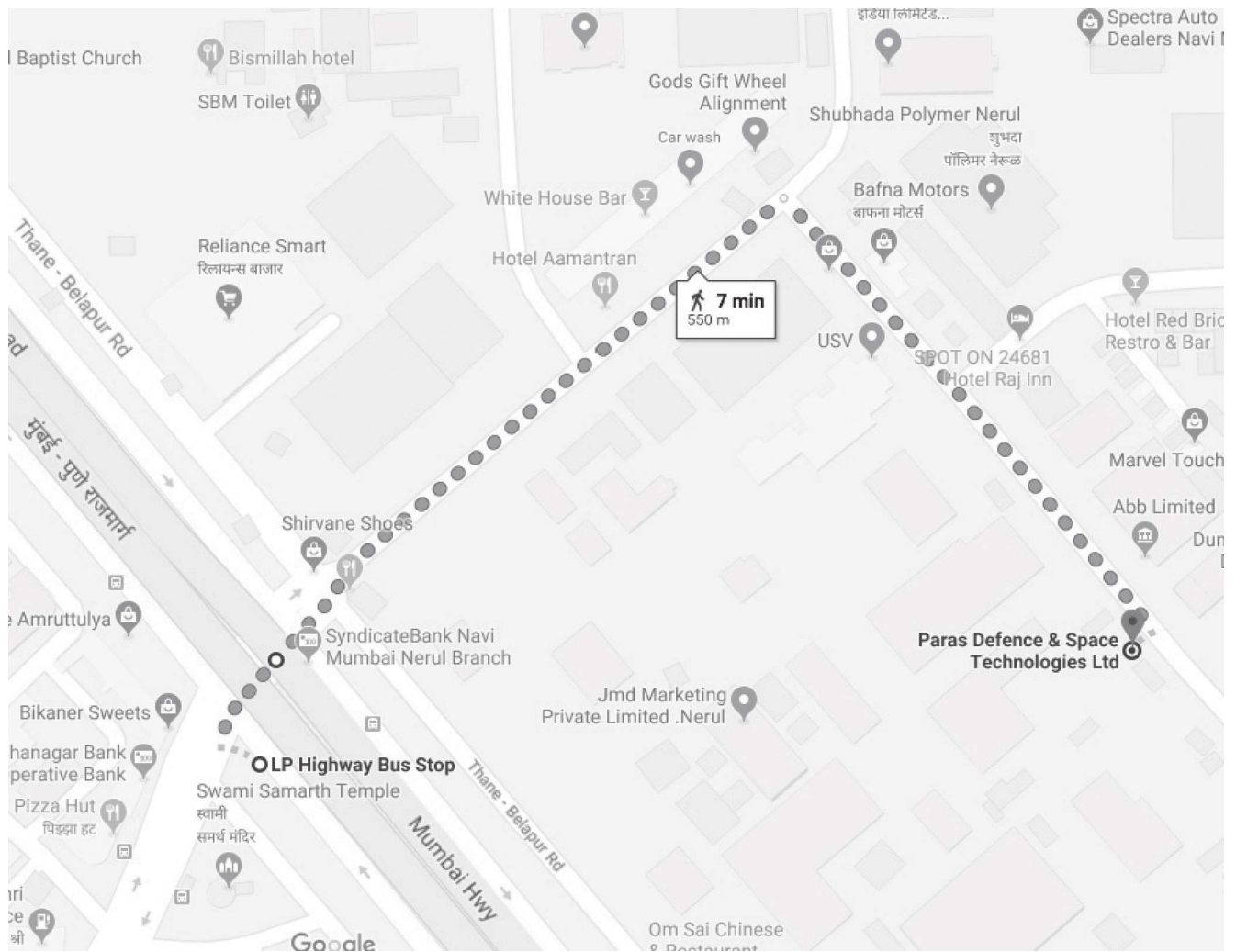
I hereby record my presence at the Annual General Meeting of the Company on 30th day, September, 2019 at 3.00 P.M. at the registered office of the Company situated at D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai-400706, Maharashtra, India.

Signature of the Shareholder/Proxy



ROUTE MAP FOR AGM VENUE:

D-112, TTC INDUSTRIAL AREA, MIDC, NERUL, NAVI MUMBAI - 400706





Registered Office

D-112, TTC Industrial Area MIDC,
Nerul, Navi Mumbai - 400706,
Maharashtra, India.

Email: business@parasdefence.com

Telephone: +91-22-26729999