

<b>PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED</b>			
<b>(FORMERLY KNOWN AS PARAS STRATEGIC TECHNOLOGIES PRIVATE LIMITED)</b>			
<b>BALANCE SHEET AS AT 31ST MARCH, 2022</b>			
<b>(Amount in Rupees)</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>I ASSETS</b>			
<b>1) Non Current Assets</b>			
a. Financial Assets			
i Other Financial Assets	2	10,000	-
<b>2) Current Assets</b>			
a. Financial Assets			
i Trade Receivables	3	11,60,000	-
ii Cash and Cash Equivalents	4	19,114	54,472
b. Other Current Assets	5	491	63,514
<b>Total ASSETS</b>		<b>11,89,605</b>	<b>1,17,986</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	6	1,00,000	1,00,000
b. Other Equity	7	3,62,110	(2,19,728)
		<b>4,62,110</b>	<b>(1,19,728)</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
a. Financial Liabilities			
i Borrowings	8	4,39,584	1,54,584
ii Trade Payable	9		
Total Outstanding dues of Micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than Micro enterprises and small enterprises		-	34,000
iii Other Financial Liabilities	10	1,05,168	46,250
b. Other Current Liabilities	11	78,417	2,880
c. Current Tax Liabilities (Net)		1,04,326	-
		<b>7,27,495</b>	<b>2,37,714</b>
<b>Total EQUITY AND LIABILITIES</b>		<b>11,89,605</b>	<b>1,17,986</b>
Significant accounting policies and notes to the financial statements	1 to 25		
<b>As per our Report of even date</b>			
<b>For Chaturvedi &amp; Shah LLP</b>		<b>For and on behalf of Board of Directors</b>	
Chartered Accountants (Firm Registration No. 101720W/W100355)			
<b>R. KORIA</b>	<b>MUNJAL SHAH</b>	<b>AMIT MAHAJAN</b>	
Partner	Director	Director	
Membership No. 35629	DIN: 01080863	DIN: 01087400	
<b>Place: Mumbai</b>			
<b>Date: 18th May, 2022</b>			

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**(FORMERLY KNOWN AS PARAS STRATEGIC TECHNOLOGIES PRIVATE LIMITED)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

(Amount in Rupees)

	Particulars	Note No.	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
1	Revenue from Operations	12	10,00,000	14,75,000
2	<b>Total Income</b>		<b>10,00,000</b>	<b>14,75,000</b>
3	<b>Expenses</b>			
	Finance Costs	13	5,358	7,330
	Other Expenses	14	2,88,478	4,98,859
	<b>Total Expenses</b>		<b>2,93,836</b>	<b>5,06,189</b>
4	<b>Profit Before Exceptional Items and Tax (2-3)</b>		7,06,164	9,68,811
5	Exceptional Items		-	-
6	<b>Profit Before Tax (4-5)</b>		<b>7,06,164</b>	<b>9,68,811</b>
7	<b>Tax Expenses :</b>			
(a)	Current Tax		1,24,326	-
(b)	Deferred Tax		-	-
8	<b>Profit for the Year (6-7)</b>		<b>5,81,838</b>	<b>9,68,811</b>
9	<b>Other Comprehensive Income</b>			
(i)	Items that will not be reclassified to profit or loss		-	-
(ii)	Items that will be reclassified to profit or loss		-	-
	<b>Total Other Comprehensive Income (Net of Tax)</b>		<b>-</b>	<b>-</b>
	<b>Total Comprehensive Income for the Year (8-9)</b>		<b>5,81,838</b>	<b>9,68,811</b>
10	<b>Earnings per Equity Share of Rs. 10/- each</b>	15		
	Basic		58	97
	Diluted		58	97
	Significant accounting policies and notes to the financial statements	1 to 25		

As per our Report of even date

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

**For and on behalf of Board of Directors**

**R. KORIA**

Partner

Membership No. 35629

**MUNJAL SHAH**

Director

DIN: 01080863

**AMIT MAHAJAN**

Director

DIN: 01087400

**Place: Mumbai**

**Date: 18th May, 2022**

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**(FORMERLY KNOWN AS PARAS STRATEGIC TECHNOLOGIES PRIVATE LIMITED)**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022**

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax as per the Statement of Profit and Loss	7,06,164	9,68,811
<b>ADJUSTMENT FOR:</b>		
Finance Costs	5,358	7,330
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>7,11,522</b>	<b>9,76,141</b>
<b>ADJUSTMENT FOR:</b>		
Trade and Other Receivables	(11,06,977)	1,38,086
Trade and Other Payables	95,187	(2,14,670)
<b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>	<b>(3,00,268)</b>	<b>8,99,557</b>
Income tax paid (net of refunds)	(20,000)	-
<b>NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES</b>	<b>(3,20,268)</b>	<b>8,99,557</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Costs	(90)	(7,330)
Current Borrowings (Net)	2,85,000	(8,46,545)
<b>NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>2,84,910</b>	<b>(8,53,875)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(35,358)</b>	<b>45,682</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>54,472</b>	<b>8,790</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Refer Note No. 4.1)</b>	<b>19,114</b>	<b>54,472</b>

**Notes :**

i Bracket indicates cash outflow.

ii Changes in liabilities arising from financing activities on account of Current Borrowings

Particulars	31.03.2022	31.03.2021
<b>Opening balance of liabilities arising from financing activities</b>	1,54,584	10,01,129
<b>Add : Changes from Cash Flow from Financing Activities (Net)</b>	2,85,000	(8,46,545)
<b>Closing balance of liabilities arising from financing activities</b>	<b>4,39,584</b>	<b>1,54,584</b>

iii Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

iv The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS-7 "Statement of Cash Flows".

**As per our Report of even date**

**For Chaturvedi & Shah LLP**  
Chartered Accountants  
(Firm Registration No. 101720W/W100355)

**For and on behalf of Board of Directors**

**R. KORIA**  
Partner  
Membership No. 35629

**MUNJAL SHAH**  
Director  
DIN: 01080863

**AMIT MAHAJAN**  
Director  
DIN: 01087400

**Place: Mumbai**  
**Date: 18th May, 2022**

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**(FORMERLY KNOWN AS PARAS STRATEGIC TECHNOLOGIES PRIVATE LIMITED)**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST March, 2022**

**A. EQUITY SHARE CAPITAL**

(Amount in Rupees)

Particulars	Balance as at 1st April, 2020	Changes during the Year	Balance as at 31st March, 2021	Changes during the Year	Balance as at 31st March, 2022
Equity Share Capital	1,00,000	-	1,00,000	-	1,00,000

**B. OTHER EQUITY**

(Amount in Rupees)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
<b>Balance as at 1st April, 2020</b>	<b>(11,88,539)</b>	<b>(11,88,539)</b>
Total Comprehensive Income for the Year	9,68,811	9,68,811
<b>Balance as at 31st March, 2021</b>	<b>(2,19,728)</b>	<b>(2,19,728)</b>
<b>Balance As at 1st April, 2021</b>	<b>(2,19,728)</b>	<b>(2,19,728)</b>
Total Comprehensive Income for the Year	5,81,838	5,81,838
<b>Balance as at 31st March, 2022</b>	<b>3,62,110</b>	<b>3,62,110</b>

As per our Report of even date

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

**For and on behalf of Board of Directors**

**R. KORIA**

Partner

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**MUNJAL SHAH**

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DIN: 01080863

**AMIT MAHAJAN**

Director

DIN: 01087400

**Place: Mumbai**

**Date: 18th May, 2022**

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022**

**1.1 Corporate Information**

Paras Anti-Drone Technologies Private Limited (the 'Company') is a private limited Company domiciled and incorporated in India. The registered office of the Company is situated at D-112, TTC industrial area, Nerul, Navi Mumbai-400706. The Parent Company is Paras Defence & Space Technologies Limited.

The main object of the company is to engage in providing artificial intelligence solutions to non defence niche market with radical technologies in India and abroad.

The financial statements of the Company for the year ended 31st March, 2022 were approved and adopted by board of directors in their meeting held on **18th May, 2022**.

**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 (the 'Act'), read together with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

These financial statements are presented in Indian Rupees, which is the company's functional and presentation currency.

As the Company is in planning stage, looking for the business and has started incurring expenses, thus as at 31st March, 2021 the Company has negative network. It's Parent Company and Directors have provided the support and agreed to provide support in future as well, accordingly the Company has prepared its financial statements on going concern basis.

**1.3 Significant Accounting policies**

**(A) Borrowing Costs:**

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. All other borrowing costs are expensed in the year in which they occur.

**(B) Taxes on Income:**

Tax expense represents the sum of current tax 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.

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022**

**(C) 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 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.

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022**

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 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.

**(D) 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 categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022**

**(E) Revenue Recognition and Other Income:**

**Sales of goods and services:**

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 recognized when it becomes unconditional.

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 Assets - 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.

**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.

**(F) 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.

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.

**(G) Lease:**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an options to extend the lease if the Company is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that options. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that crate an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022**

**The Company as a lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company elects not to apply the requirements of Ind AS 116 to Short term leases or the leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as expense on either a straight line basis over lease term or another systematic basis.

**The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right- of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(H) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised in financial statement. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022**

**(I) 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.

**(J) 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 financial 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.

**(K) 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.

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.

**(L) Off-setting 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.

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022**

**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) 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.

**b) 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.

**c) 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.

**d) Revenue:**

The application of Accounting Standard on Revenue Recognition involves use of key judgements with respect to multiple elements deliverables, timing of revenue recognition, accounting of discounts, incentives, etc. The Management has reviewed such accounting treatment and is satisfied about its appropriateness in terms of the relevant Ind AS.

**1.5 Standards Issued But Not Effective**

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

Ind AS 101 – First time adoption of Ind AS

Ind AS 103 – Business Combination

Ind AS 109 – Financial Instrument

Ind AS 16 – Property, Plant and Equipment

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

Ind AS 41 – Agriculture

Application of above amended standards are not expected to have any significant impact on the company's financial statements.

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

NOTE : 2 OTHER NON CURRENT FINANCIAL ASSETS			(Amount in Rupees)				
Particulars	As At 31.03.2022	As at 31.03.2021					
(Unsecured, Considered Good) Security Deposits	10,000	-					
<b>Total</b>	<b>10,000</b>	<b>-</b>					
NOTE : 3 TRADE RECEIVABLES			(Amount in Rupees)				
Particulars	As At 31.03.2022	As at 31.03.2021					
(Unsecured) Considered Good	11,60,000	-					
<b>Total</b>	<b>11,60,000</b>	<b>-</b>					
Trade Receivables Ageing Schedule as at 31st March, 2022							
Particulars	Not Due	Outstanding for the following period from due date of payment					Total
		Less than 6 months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables –considered good	11,60,000	-	-	-	-	-	11,60,000
Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – creditimpaired	-	-	-	-	-	-	-
<b>Total Receivable</b>	<b>11,60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,60,000</b>
NOTE : 4 CASH AND CASH EQUIVALENTS			(Amount in Rupees)				
Particulars	As at 31.03.2022	As at 31.03.2021					
Balances with Bank In Current Accounts	19,114	54,472					
<b>Total</b>	<b>19,114</b>	<b>54,472</b>					
4.1- For the purpose of statement of Cash Flows, cash and cash equivalents comprises of the following-							
Particulars	As at 31.03.2022	As at 31.03.2021					
Balances with Bank In Current Accounts	19,114	54,472					
<b>Total</b>	<b>19,114</b>	<b>54,472</b>					
NOTE : 5 OTHER CURRENT ASSETS			(Amount in Rupees)				
Particulars	As at 31.03.2022	As at 31.03.2021					
Balances with Government Authorities	-	63,514					
Others	491	-					
<b>Total</b>	<b>491</b>	<b>63,514</b>					

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE : 6 EQUITY SHARE CAPITAL**

(Amount in Rupees)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Authorised</b> 10,000 (31st March, 2021 : 10,000) Equity Shares of Rs. 10/- each	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid up</b> 10,000 (31st March, 2021 : 10,000) Equity Shares of Rs. 10/- each fully paid up	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

**6.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the Year**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	10,000	10,000	10,000	10,000
Add: Issue of Equity Shares	-	-	-	-
<b>Shares outstanding at the end of the Year</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

**6.2 Details of Shareholder, holding more than 5% shares of the Company:**

Name of Shareholder	As at March 31st, 2022		As at 31st March, 2021	
	No. Of shares	% of Holding	No. Of shares	% of Holding
Paras Defence & Space Technologies Limited (The Holding Company)*	5,500	55%	5,500	55%
Swati Sinha **	1,500	15%	1,500	15%
Ashutosh Baheti **	3,000	30%	3,000	30%
* Out of the above, 1 share is held by Mr. Munjal Shah as nominee of Paras Defence & Space Technologies Limited				
** On 7th January, 2021 the Holding Company has sold equity shares of Rs.10/- each as per the duly executed Transfer Deed.				

**6.3 Disclosure of Shareholding of Promoters**

Particulars	As at March 31, 2022		As at March 31, 2021		% Changes From 31st March, 2021 to 31st March, 2022
	No. of shares	% of Holding	No. of shares	% of Holding	
Paras Defence & Space Technologies Limited (T	5,500	55%	5,500	55%	-

**6.4** The Company has only one class of equity shares having a face value of Rs. 10/- per share. In the event of liquidation of the Company, the equity shareholder will be entitled to receive any of remaining assets of the Company, after distribution of all preferential amounts.

**NOTE : 7 OTHER EQUITY**

(Amount in Rupees)

Particulars	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
<b>Retained Earnings</b>				
Balance as per last Balance Sheet	(2,19,728)		(11,88,539)	
Add: Profit after tax for the Year	5,81,838	3,62,110	9,68,811	(2,19,728)
<b>Total</b>		<b>3,62,110</b>		<b>(2,19,728)</b>

**Note No. 7.1. Nature And Purpose Of Reserves**

**Retained Earnings**

Retained Earnings represent the accumulated Profits / (losses) made by the company over the years.

**NOTE : 8 CURRENT FIANCIAL LIABILITIES - BORROWINGS**

(Amount in Rupees)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured</b>		
Loans From Director (Refer Note No. 17)	4,39,584	1,54,584
<b>Total</b>	<b>4,39,584</b>	<b>1,54,584</b>

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE : 9 CURRENT FIANCIAL LIABILITIES - TRADE PAYABLES</b>						
(Amount in Rupees)						
<b>Particulars</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>			
Micro, Small and Medium Enterprises		-	-			
Others		-	34,000			
<b>Total</b>		<b>-</b>	<b>34,000</b>			
<b>9.01. Disclosures of the Micro, Small And Medium Enterprises Development Act, 2006</b>						
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 :						
<b>Particulars</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>			
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-			
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-			
(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	-	-			
(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	-	-			
<b>Trade Payables Ageing Schedules as at 31st March, 2021</b>						
(Amount in Rupees)						
Particulars	Not Due	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	34,000	-	-	34,000
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
<b>Total Payable</b>		<b>-</b>	<b>-</b>	<b>34,000</b>	<b>-</b>	<b>34,000</b>
<b>NOTE : 10 OTHER FINANCIAL LIABILITIES</b>						
(Amount in Rupees)						
<b>Particulars</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>			
Interest Accrued but not due		5,268	-			
Other payables*		99,900	46,250			
<b>Total</b>		<b>1,05,168</b>	<b>46,250</b>			
* It includes audit fees and Rent payable.						
<b>NOTE : 11 OTHER CURRENT LIABILITIES</b>						
(Amount in Rupees)						
<b>Particulars</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>			
Statutory Liabilities		78,417	2,880			
<b>Total</b>		<b>78,417</b>	<b>2,880</b>			

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE 12 : REVENUE FROM OPERATIONS</b>		
<b>(Amount in Rupees)</b>		
<b>Particulars</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
Sale of Services	10,00,000	14,75,000
<b>Total</b>	<b>10,00,000</b>	<b>14,75,000</b>
<b>NOTE 12.01:</b>		
a) Revenue disaggregation by geography:		
<b>(Amount in Rupees)</b>		
<b>Particulars</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
India	10,00,000	14,75,000
Outside India		-
<b>Total</b>	<b>10,00,000</b>	<b>14,75,000</b>
b) Sale of Services are based on contract price.		
<b>(Amount in Rupees)</b>		
<b>Particulars</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
Contract Price	10,00,000	14,75,000
<b>Total</b>	<b>10,00,000</b>	<b>14,75,000</b>
<b>NOTE 13 : FINANCE COSTS</b>		
<b>(Amount in Rupees)</b>		
<b>Particulars</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
Interest Expenses	5,358	7,330
<b>Total</b>	<b>5,358</b>	<b>7,330</b>

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE 14 : OTHER EXPENSES</b>		
<b>(Amount in Rupees)</b>		
<b>Particulars</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
<b>I. Selling &amp; Distribution Expenses</b>		
Exhibition Expenses	-	2,49,476
Design & Development Charges	-	10,000
	-	<b>2,59,476</b>
<b>II. Administrative Expenses</b>		
Lease Rent (Refer Note 17)	1,20,000	1,20,000
Legal and Professional Fees	42,417	24,000
Audit Fees (Refer Note No. 14.1)	1,25,000	75,000
Miscellaneous Expenses	608	1,783
Rate & Taxes	-	18,000
	<b>2,88,025</b>	<b>2,38,783</b>
<b>III. Other Expenses</b>		
Bank Charges	453	600
	<b>453</b>	<b>600</b>
<b>Total</b>	<b>2,88,478</b>	<b>4,98,859</b>
<b>NOTE 14.1:</b>		
<b>(Amount in Rupees)</b>		
<b>Particulars</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
<b>Remuneration to the auditor comprises:</b>		
Audit Fees	75,000	75,000
Limited Review	50,000	-
<b>Total</b>	<b>1,25,000</b>	<b>75,000</b>
<b>NOTE 15 : EARNINGS PER SHARE</b>		
<b>(Amount in Rupees)</b>		
<b>Particulars</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
<b>Basic Earnings Per Share</b>		
Profit for the Year	5,81,838	9,68,811
Weighted average number of Equity Shares (Nos.)	10,000	10,000
Basic Earnings Per Share of Rs.10/- each	58	97
<b>Diluted Earnings Per Share</b>		
Amount available for calculation of Diluted EPS	5,81,838	9,68,811
Weighted average number of Equity Shares (Nos.)	10,000	10,000
Add : Potential number of Equity Shares (Nos.)	-	-
No. of shares used for calculation of Diluted EPS (Nos.)	10,000	10,000
Diluted Earnings Per Share of Rs.10/- each	58	97



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE 16: INCOME TAX**

**16.1 The major components of Tax Expense for the year ended 31st March, 2022 & for the year ended 31st March, 2021 are as follows:**

(Amount in Rupees)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Recognised in the Statement of Profit and Loss</b>		
Current Tax	1,24,326	-
Deferred Tax:-Relating to origination and reversal of temporary differences	-	-
<b>Total Tax Expenses</b>	<b>1,24,326</b>	<b>-</b>

**16.2 Reconciliation between Tax Expense and Accounting Profit multiplied by tax rate for the year ended 31st March, 2022 & for the year ended 31st March, 2021:**

(Amount in Rupees)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Accounting Profit Before Tax</b>	7,06,164	9,68,811
Applicable tax rate (in %)	25.17%	25.17%
<b>Computed Tax Expenses</b>	<b>1,77,727</b>	<b>2,43,830</b>
<b>Tax effect on account of:</b>		
Expenses not Allowed under Income Tax Act	1,349	22
Brought Forward Loss Adjusted	(54,750)	(2,43,852)
<b>Total Tax Expenses</b>	<b>1,24,326</b>	<b>-</b>

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE 17 : RELATED PARTY DISCLOSURE**

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported year, are as detail below:

**(a) List of Related Parties :**

(As certified by the Management)

**I. Holding Company**

Paras Defence & Space Technologies Limited

**II. Key Management Personnel**

Munjal Sharad Shah

Amit Navin Mahajan

Shilpa Amit Mahajan

**(b) Related Party Transactions**

		(Amount in Rupees)	
Nature of Transactions	Name of the Related Parties	2021-2022	2020-2021
<b>Transactions with Holding Company:</b>			
Loans Taken	} Paras Defence and Space Technologies Ltd.	-	1,85,140
Loans Repaid		-	1,85,140
Lease Rent Expenses		1,20,000	1,20,000
Interest on Short Term Borrowings		-	7,243
<b>Transactions with other Related Parties:</b>			
Loans Taken from Director	} Munjal Sharad Shah	2,85,000	8,53,455
Loans Repaid		-	17,00,000

			(Amount in Rupees)	
Name of the Related Parties	As at 31st March, 2022	As at 31st March, 2021		
<b>Balances with Holding Company:</b>				
<b>Other Financial Liabilities</b>				
Paras Defence & Space Technologies Limited	32,400	-		
<b>Balance with other Related Parties:</b>				
<b>Current-Borrowings - Loan from director</b>				
Munjal Sharad Shah	4,39,584	1,54,584		

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE 18: FINANCIAL INSTRUMENTS**

**FAIR VALUE** :-The carrying amounts of cash at bank, Short Term Borrowings and Trade Payables approximate their fair values and are carried at amortized cost.

(Amount in Rupees)

Particulars	As at 31-03-2022		As at 31-03-2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
Trade Receivables	11,60,000	11,60,000	-	-
Cash & Cash equivalents	19,114	19,114	54,472	54,472
Others	10,000	10,000	-	-
<b>Total</b>	<b>11,89,114</b>	<b>11,89,114</b>	<b>54,472</b>	<b>54,472</b>
<b>Financial Liabilities</b>				
Short Term Borrowings	4,39,584	4,39,584	1,54,584	1,54,584
Trade Payables	-	-	34,000	34,000
Other Financial Liabilities	1,05,168	1,05,168	46,250	46,250
<b>Total</b>	<b>5,44,752</b>	<b>5,44,752</b>	<b>2,34,834</b>	<b>2,34,834</b>

**NOTE 19: FINANCIAL RISK MANAGEMENT**

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

**(a) Market Risk**

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 foreign currency rate risk.

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 no foreign currency trade payables as at 31st March, 2021 and is therefore, not exposed to foreign currency exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

**(b) Credit Risk**

Credit risk arises from cash and cash equivalent carried at amortised cost.

**Credit risk management**

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.

**i. 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 following table summarizes the Gross carrying amount of the trade receivables and provision made.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	11,60,000	-	-	-

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**ii. 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.

**(c) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of short term borrowing, trade payable and other financial liabilities. Short term borrowings is from director, hence it is not exposed to significant liquidity risk.

**Liquidity Risk Management**

As Company does not have any long term borrowings hence it is not exposed to significant liquidity risk.

The table below illustrates the aged analysis of the company's Short Term Borrowings and financial liabilities.

(Amount in Rupees)				
March 31, 2022				
Particulars	On demand	Up to 1 year	More than 1 year	Total
<b>Liabilities</b>				
Short Term Borrowings	4,39,584	-	-	4,39,584
Other Financial Liabilities	-	1,05,168	-	1,05,168
<b>Total</b>	<b>4,39,584</b>	<b>1,05,168</b>	-	<b>5,44,752</b>

(Amount in Rupees)				
March 31, 2021				
Particulars	On demand	Up to 1 year	More than 1 year	Total
<b>Liabilities</b>				
Short Term Borrowings	1,54,584	-	-	1,54,584
Trade Payable	-	34,000	-	34,000
Other Financial Liabilities	-	46,250	-	46,250
<b>Total</b>	<b>1,54,584</b>	<b>80,250</b>	-	<b>2,34,834</b>

**NOTE 20: CAPITAL RISK MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves and net debts. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure as per the requirements of the business. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by Total capital. The company includes within net debt, borrowings less cash and cash equivalents. The capital structure of the company consist of equity share capital, other equity and net debt.

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**Gearing Ratio**

The gearing ratio at the Year end was as follows :

(Amount in Rupees)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Debt	4,39,584	1,54,584
Less: Cash and cash equivalent	19,114	54,472
<b>Net Debt</b>	<b>4,20,470</b>	<b>1,00,112</b>
Equity	4,62,110	(1,19,728)
<b>Total Capital (Equity + Net Debts)</b>	<b>8,82,580</b>	<b>(19,616)</b>
<b>Gearing Ratio</b>	<b>47.64%</b>	<b>-510.36%</b>

**NOTE : 21 SEGMENT REPORTING**

The Company is predominantly in the business of providing artificial intelligence solutions to non defence niche market with radical technologies and as such there are no separate reportable segments. The Company's operations are currently in India.

21.1 Revenue from operations Rs.10,00,000 (Previous Year Rs. 14,75,000) from 1 customer (Previous Year: 1 customer) having more than 10% of the Total revenue.

**Note 22: Other Statutory Information**

22.1 There are no balances outstanding on account of any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

22.2 The Company does not have any such transaction which is not recorded in the books of account surrendered or disclosed as income during the year in the tax assessments under the Income-tax act, 1961.

22.3 No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

22.4 The Company is not declared wilful defaulter by any bank or financial institution or other lender.

22.5 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

22.6 The Company has not received any fund from any person(s) or entity(s), including entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE : 23 Additional Regulatory Information :**

**(i) Accounting Ratios -**

<b>Ratios</b>	<b>Numerator</b>	<b>Denominator</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>% Variance</b>	<b>Reason for variance</b>
1. Current Ratio	Current assets	Current liabilities	1.62	0.50	226.69%	Current Ratio decrease due to increase in Borrowing during the year
2. Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.95	(1.29)	-173.68%	Debt Equity Ratio increase due to increase in Borrowing in Current Year
3. Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	NA	0.57	100.00%	Lower Debt Service Coverage Ratio due to increase in borrowing during the year
4. Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	3.40	(1.60)	-311.94%	As at 1st April 2020, Other Equity is Negative
5. Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	NA	NA	NA	
6. Trade Receivables Turnover Ratio	Revenue	Average Trade Receivable	1.72	NA	100.00%	In previous year Trade Recivable is Nil
7. Trade Payables Turnover Ratio	Purchases of services and other expenses	Average Trade Payables	NA	NA	NA	
8. Net Capital Turnover Ratio	Revenue	Average Working Capital	1.89	(2.44)	-177.29%	Net Capital Turnover Ratio decrease due to lesser Revenue from Operations in Current Year compare to Previous Year
9. Net Profit Ratio	Net Profit	Net Sales	0.58	0.66	-11.42%	Net Profit Ratio lower due to lesser Revenue from Operations in Current Year compare to Previous Year
10. Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	0.79	28.00	-97.18%	ROCE Ratio lower due to lesser Revenue from Operations in Current Year compare to Previous Year
11. Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank	NA	NA	NA	

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE : 24**

The Management and Authorities have power to amend the financial statements in accordance with the section 130 and 131 of the Act.

**NOTE : 25**

Previous Year's figures have been regrouped / rearranged wherever necessary, to make them comparable with those of current year.

**As per our Report of even date**

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

**For and on behalf of Board of Directors**

**R. KORIA**

Partner

Membership No. 35629

**MUNJAL SHAH**

Director

DIN: 01080863

**AMIT MAHAJAN**

Director

DIN: 01087400

**Place: Mumbai**

**Date: 18th May, 2022**