

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of **PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss including Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the 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 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 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 Financial Statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Financial Statements and our auditor's report thereon. The above information is expected to be made available to us after the date of this auditor's report.





Our opinion on the 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 Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Management responsibilities for the 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 Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 fair presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (Including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Financial Statements comply with the Ind AS prescribed under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
The Company has not paid any remuneration to its directors, hence the section 197 of the Act is not applicable to the Company.
  - 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.





- iv. (a) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to the Financial Statements, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to the Financial Statements, during the year no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on our audit procedure conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended 31st March, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.





- vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

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

*R. R. Shah*

**Rupesh Shah**  
**Partner**  
Membership No. 117964  
UDIN No.: 24117964BKFYDI7173



**Nagpur**  
**Date: May 23, 2024**



**“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED on the Financial Statements for the year ended March 31, 2024)**

i. In respect of its Property, Plant & Equipment

a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.

(B) The Company has maintained proper records showing full particulars intangible assets on the basis of available information.

b) As explained to us, Property, Plant & Equipment have been physically verified by the management. No material discrepancies were noticed on such physical verification.

c) According to the information and explanations given to us and the records examined by us, the Company doesn’t have any immovable property. Therefore, the provisions of clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.

d) According to information and explanations given to us and books of account and records examined before us, the Company has not revalued its Property, Plant and Equipment during the year. And the Company doesn’t have any intangible assets.

e) According to information and explanations given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories has been conducted by the management. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.

b) According to the information and explanations given to us and examination of books of accounts and other records produced before us, the company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, the provisions of clause (ii)(b) of paragraph 3 of the Order are not applicable to the Company.



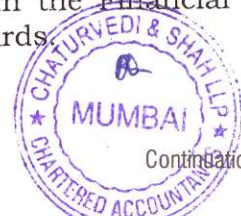


- iii. According to the information and explanations given to us, during the year the Company has not made investments or has not provided any guarantee or security or has not granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of clause (iii) (a) to (f) of paragraph 3 of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not entered into any transaction in respect of loans, investments, guarantees and security covered under section 185 and 186 of the Act during the year. Therefore, the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the provisions of the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. According to information and explanation given to us, the Central Government has not prescribed the Cost Records to be maintained under section 148(1) of the Act in respect of activities carried out by the Company. Therefore, the clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- 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 Goods and Services Tax, provident fund, income-tax, duty of customs, duty of excise, cess and any other statutory dues with the appropriate authorities, as applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2024 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute.
- viii. According to information and explanation given to us and representations made to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. a) In our opinion and according to the information and explanations given to us and books of account and other records produced before us, the Company has not defaulted in the repayment of loans and other borrowings or in the payment of interest thereon to any lender.
  - b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.





- c) In our opinion, and according to the information and explanations given to us and records produced before us, during the year the Company has not raised any money by way of term loan from bank or financial institution.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that, *prima facie*, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us, Company does not have any Subsidiaries, Joint Ventures or Associates Companies. Therefore, the clause (ix) (e) of paragraph 3 of the Order are not applicable to the Company.
- f) According to the information and explanations given to us, Company does not have any Subsidiaries, Joint Ventures or Associates Companies. Therefore, the clause (ix) (f) of paragraph 3 of the Order are not applicable to the Company.
- x. a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the clause (x) (a) of paragraph 3 of the Order are not applicable to the Company.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and therefore, the clause (x) (b) of paragraph 3 of the Order is not applicable to the Company.
- xi. a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii. In our opinion and according to information and explanation given to us, all the transactions with related parties are in compliance with section 177 and 188 of the Act, as applicable and their details have been disclosed in the Financial Statements etc; as required by the applicable Accounting Standards





- xiv. In our opinion, and according to the information and explanations given to us, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013.
- xv. According to information and explanation given to us, the Company has not entered into non-cash transactions with directors or persons connected with them as referred under section 92 of the Act. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the company.
- xvi. a) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.
- c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) In our opinion, and according to the information and explanations provided to us, the Group does not have any Core Investment Company (CIC) as part of the Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016. Therefore, provisions of clause (xvi) (d) of paragraph 3 of the Order are not applicable to the Company.
- xvii. In our opinion and according to information and explanation given to us, the Company has not incurred cash losses of Rs. 70.46 Lakhs in the current Financial Year, however there were no cash losses in the immediately preceding financial year.
- xviii. There has been no resignation of Statutory Auditors during the year. Therefore, the clause (xviii) of paragraph 3 of the Order are not applicable to the Company.
- xix. According to the information and explanation given to us and on the basis of the Financial Ratios, Ageing and expected dates of realization of Financial Assets and payment of Financial Liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and the management plans, financial support letter from Holding Company and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the auditor report that Company is not capable of meeting its liabilities existing as on the date of Balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the auditor's report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.





- xx. According to the information and explanations given to us, the CSR provisions under section 135 of the Act are not applicable to the Company. Therefore, provisions of clause (xx) (a) and (b) of paragraph 3 of the Order are not applicable to the Company.

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

*R. P. Shah,*

**Rupesh Shah**  
**Partner**  
Membership No. 117964  
UDIN No.: 24117964BKFYDI7173



**Nagpur**  
**Date: May 23, 2024**

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 2 (f) under “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED on the Financial Statements for the year ended March 31, 2024)**

**Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to Financial Statements of **PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED** as of March 31, 2024 in conjunction with our audit of the 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 with reference to the Financial Statements based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards of Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2024 based on the criteria for internal control established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by ICAI.

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

*R. P. Shah,*

**Rupesh Shah**  
**Partner**

Membership No. 117964  
UDIN No.: 24117964BKFYDI7173



**Nagpur**  
**Date: May 23, 2024**



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2024**

(Amount in Lakhs)

| Particulars                                                                            | Note No. | As at 31st March, 2024 | As at 31st March, 2023 |
|----------------------------------------------------------------------------------------|----------|------------------------|------------------------|
| <b>I Assets</b>                                                                        |          |                        |                        |
| <b>Non Current Assets</b>                                                              |          |                        |                        |
| a. Property, Plant and Equipment                                                       | 2        | 14.91                  | 0.57                   |
| b. Intangible Assets                                                                   | 3        | 15.34                  | -                      |
| c. Financial Assets                                                                    |          |                        |                        |
| i Other Financial Assets                                                               | 4        | 101.64                 | -                      |
| d. Other Non Current Assets                                                            | 5        | 0.10                   | 0.10                   |
| e. Deferred Tax Assets (Net)                                                           | 6        | 2.74                   | 0.07                   |
|                                                                                        |          | <b>134.73</b>          | <b>0.74</b>            |
| <b>Current Assets</b>                                                                  |          |                        |                        |
| a. Inventories                                                                         | 7        | 79.09                  | 6.98                   |
| b. Financial Assets                                                                    |          |                        |                        |
| i Trade Receivables                                                                    | 8        | 139.09                 | 33.60                  |
| ii Cash and Cash Equivalents                                                           | 9        | 1.41                   | 0.76                   |
| iii Loans                                                                              | 10       | 0.20                   | -                      |
| iv Other Financial Assets                                                              | 11       | 1.14                   | -                      |
| c. Current Tax Asset (Net)                                                             |          | 1.20                   | -                      |
| d. Other Current Assets                                                                | 12       | 19.22                  | 5.60                   |
|                                                                                        |          | <b>241.35</b>          | <b>46.94</b>           |
| <b>Total Assets</b>                                                                    |          | <b>376.08</b>          | <b>47.68</b>           |
| <b>II Equity And Liabilities</b>                                                       |          |                        |                        |
| <b>Equity</b>                                                                          |          |                        |                        |
| a. Equity Share Capital                                                                | 13       | 101.00                 | 1.00                   |
| b. Other Equity                                                                        | 14       | (56.45)                | 17.15                  |
|                                                                                        |          | <b>44.55</b>           | <b>18.15</b>           |
| <b>Liabilities</b>                                                                     |          |                        |                        |
| <b>Non Current Liabilities</b>                                                         |          |                        |                        |
| a. Provisions                                                                          | 15       | 1.99                   | -                      |
| <b>Current Liabilities</b>                                                             |          |                        |                        |
| a. Financial Liabilities                                                               |          |                        |                        |
| i Borrowings                                                                           | 16       | 277.02                 | 13.50                  |
| ii Trade Payables                                                                      | 17       |                        |                        |
| Total Outstanding dues of Micro enterprises and small enterprises                      |          | 2.99                   | 0.19                   |
| Total Outstanding dues of creditors other than Micro enterprises and small enterprises |          | 10.25                  | 1.46                   |
| iii Other Financial Liabilities                                                        | 18       | 35.87                  | 8.93                   |
| b. Other Current Liabilities                                                           | 19       | 3.41                   | 0.77                   |
| c. Provisions                                                                          | 20       | 0.00                   | -                      |
| d. Current Tax Liabilities (Net)                                                       |          | -                      | 4.68                   |
|                                                                                        |          | <b>331.53</b>          | <b>29.53</b>           |
| <b>Total Equity and Liabilities</b>                                                    |          | <b>376.08</b>          | <b>47.68</b>           |
| Material Accounting Policies and Notes to the Financial Statements                     | 1 to 36  |                        |                        |

As per our Report of even date

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

**Rupesh Shah**  
Partner  
Membership No. 117964

Date: 23rd May, 2024

For and on behalf of Board of Directors

**Munjal Shah**  
Director  
DIN: 01080863

**Amit Mahajan**  
Director  
DIN: 01087400

**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount in Lakhs)

|      | Particulars                                                        | Note No. | For the Year ended 31st March, 2024 | For the Year ended 31st March, 2023 |
|------|--------------------------------------------------------------------|----------|-------------------------------------|-------------------------------------|
| 1    | Revenue from Operations                                            | 21       | 193.39                              | 55.39                               |
| 2    | Other Income                                                       | 22       | 5.56                                | 0.16                                |
| 3    | <b>Total Income (1+2)</b>                                          |          | <b>198.95</b>                       | <b>55.55</b>                        |
| 4    | <b>Expenses</b>                                                    |          |                                     |                                     |
|      | Cost of Materials Consumed                                         |          | 48.81                               | 1.83                                |
|      | Changes in Inventories of Work in Progress                         | 23       | (68.72)                             | (6.98)                              |
|      | Employee Benefits Expense                                          | 24       | 219.06                              | 15.62                               |
|      | Finance Costs                                                      | 25       | 14.38                               | 0.45                                |
|      | Depreciation                                                       | 26       | 6.40                                | 0.01                                |
|      | Other Expenses                                                     | 27       | 55.32                               | 26.48                               |
|      | <b>Total Expenses</b>                                              |          | <b>275.25</b>                       | <b>37.41</b>                        |
| 5    | <b>(Loss)/ Profit Before Exceptional Items and Tax (3-4)</b>       |          | <b>(76.30)</b>                      | <b>18.14</b>                        |
| 6    | Exceptional Items                                                  |          | -                                   | -                                   |
| 7    | <b>(Loss)/ Profit Before Tax (5-6)</b>                             |          | <b>(76.30)</b>                      | <b>18.14</b>                        |
| 8    | <b>Tax Expenses :</b>                                              |          |                                     |                                     |
|      | Current Tax                                                        |          | -                                   | 4.68                                |
|      | Deferred Tax                                                       | 6        | (2.67)                              | (0.07)                              |
|      | Income Tax for Earlier Years                                       |          | (0.03)                              |                                     |
|      |                                                                    |          | (2.70)                              | 4.61                                |
| 9    | <b>(Loss)/ Profit for the Year (7-8)</b>                           |          | <b>(73.60)</b>                      | <b>13.53</b>                        |
| 10   | <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 (9-10)</b>              |          | <b>(73.60)</b>                      | <b>13.53</b>                        |
| 11   | <b>Earnings per Equity Share of Rs. 10/- each</b>                  | 28       |                                     |                                     |
|      | Basic (Rs.)                                                        |          | (8.00)                              | 135.30                              |
|      | Diluted (Rs.)                                                      |          | (8.00)                              | 135.30                              |
|      | Material Accounting Policies and Notes to the Financial Statements | 1 to 36  |                                     |                                     |

As per our Report of even date

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

**Rupesh Shah**  
Partner  
Membership No. 117964

**Date: 23rd May, 2024**

For and on behalf of Board of Directors

**Munjal Shah**  
Director  
DIN: 01080863

**Amit Mahajan**  
Director  
DIN: 01087400



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

**A. Equity Share Capital**

(Amount in Lakhs)

| Particulars          | Balance as at 1st April, 2022 | Changes during the Year | Balance as at 31st March, 2023 | Changes during the Year | Balance as at 31st March, 2024 |
|----------------------|-------------------------------|-------------------------|--------------------------------|-------------------------|--------------------------------|
| Equity Share Capital | 1.00                          | -                       | 1.00                           | 100.00                  | 101.00                         |

**B. Other Equity**

(Amount in Lakhs)

| Particulars                             | Reserves and Surplus | Total   |
|-----------------------------------------|----------------------|---------|
|                                         | Retained Earnings    |         |
| Balance as at 1st April, 2022           | 3.62                 | 3.62    |
| Total Comprehensive Income for the Year | 13.53                | 13.53   |
| Balance as at 31st March, 2023          | 17.15                | 17.15   |
| Balance as at 1st April, 2023           | 17.15                | 17.15   |
| Total Comprehensive Income for the Year | (73.60)              | (73.60) |
| Balance as at 31st March, 2024          | (56.45)              | (56.45) |

As per our Report of even date

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

*R. R. Shah*

Rupesh Shah  
Partner  
Membership No. 117964

Date: 23rd May, 2024

For and on behalf of Board of Directors

*Munjal Shah*  
Munjal Shah  
Director  
DIN: 01080863



*Amit Mahajan*  
Amit Mahajan  
Director  
DIN: 01087400



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount in Lakhs)

| Particulars                                                         | For the Year ended<br>31st March, 2024 | For the Year ended<br>31st March, 2023 |
|---------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                        |                                        |                                        |
| (Loss)/ Profit before tax as per the Statement of Profit and Loss   | (76.30)                                | 18.14                                  |
| <b>ADJUSTMENT FOR:</b>                                              |                                        |                                        |
| Depreciation                                                        | 6.40                                   | 0.01                                   |
| Finance Costs                                                       | 14.38                                  | 0.45                                   |
| Interest income                                                     | (3.03)                                 | -                                      |
| Balances written back                                               | (0.56)                                 | -                                      |
| Provision for Gratuity                                              | 1.99                                   | -                                      |
| Unrealised Loss /(Gain) on foreign currency Transaction             | 0.03                                   | (0.40)                                 |
| <b>OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES</b>       | <b>(57.09)</b>                         | <b>18.20</b>                           |
| <b>ADJUSTMENT FOR:</b>                                              |                                        |                                        |
| Trade and Other Receivables                                         | (119.36)                               | (27.19)                                |
| Trade and Other Payables                                            | 39.80                                  | 8.60                                   |
| Inventories                                                         | (72.11)                                | (6.98)                                 |
| <b>CASH USED IN OPERATIONS</b>                                      | <b>(208.76)</b>                        | <b>(7.37)</b>                          |
| Income tax paid (Including interest)                                | (5.85)                                 | (1.16)                                 |
| <b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>                    | <b>(214.61)</b>                        | <b>(8.53)</b>                          |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                        |                                        |                                        |
| Purchase of Property, Plant and Equipment, Intangible asset         | (35.97)                                | -                                      |
| Interest income                                                     | 1.94                                   | -                                      |
| <b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>                    | <b>(34.03)</b>                         | <b>-</b>                               |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                        |                                        |                                        |
| Proceed from Issue of Fresh Equity Shares                           | 100.00                                 | -                                      |
| Current Borrowings (Net)                                            | 263.52                                 | 9.10                                   |
| Finance Costs                                                       | (12.59)                                | 0.00                                   |
| Margin Money                                                        | (101.64)                               | -                                      |
| <b>NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES (C)</b>        | <b>249.29</b>                          | <b>9.10</b>                            |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>            | <b>0.65</b>                            | <b>0.57</b>                            |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>               | <b>0.76</b>                            | <b>0.19</b>                            |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Refer Note No.9.1)</b> | <b>1.41</b>                            | <b>0.76</b>                            |

**Notes :**

- i Bracket indicates cash outflow.
- ii Changes in liabilities arising from Financing Activities on account of Current Borrowings

(Amount in Lakhs)

| Particulars                                                      | 31st March, 2024 | 31st March, 2023 |
|------------------------------------------------------------------|------------------|------------------|
| Opening balance of liabilities arising from Financing Activities | 13.50            | 4.40             |
| Add : Changes from Cash Flow from Financing Activities (Net)     | 263.52           | 9.10             |
| Closing balance of liabilities arising from financing activities | 277.02           | 13.50            |

- 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 and on behalf of Board of Directors**

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

**Rupesh Shah**  
Partner

Membership No. 117964

Date: 23rd May, 2024

**Munjal Shah**  
Director  
DIN: 01080863

**Amit Mahajan**  
Director  
DIN: 01087400



*(Handwritten signatures of Munjal Shah and Amit Mahajan)*



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**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, 2024 were approved and adopted by Board of Directors in their meeting held on 23rd May, 2024

**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.

The Financial Statements have been prepared and presented on going concern basis and historical cost basis, except for the following assets and liabilities, which have been measured as indicated below:

- Certain Financial assets and liabilities at fair value (refer accounting policy regarding financial instruments).

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 with two decimals, except when otherwise indicated.

**1.3 Material Accounting policies**

**(A) Property, Plant and Equipment :**

Property, plant and equipment are carried at its cost, net of recoverable taxes, trade discounts and rebate less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing cost, non refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital Work-in-Progress" and expenses incurred relating to it, net of income earned during the development stage, are disclosed as pre-operative expenses under "Capital Work-in-Progress".

Property, Plant and Equipment are eliminated from Financial Statements, either on disposal or when retired from active use. Gains / losses arising in the case of retirement/disposal of Property, Plant and Equipment are recognised in the statement of profit and loss in the year of occurrence.

**Depreciation:**

Depreciation on Property, Plant and Equipment is provided on straight line method for the year for which the assets have been used as under:

- Depreciation on assets is provided over the useful life of assets as prescribed under Schedule II of Companies Act, 2013

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                |

**(C) 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.





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

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.

**(D) Inventories:**

Inventories are measured at lower of cost and net realisable value (NRV) after providing for obsolescence, if any. NRV is the estimate selling price in the ordinary course of business, less estimated costs of completion and estimate cost necessary to make the sale. The 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. The 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.

**(E) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets - Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost. Purchase and sale of financial assets are recognized using trade date accounting. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**Financial assets - Subsequent measurement**

For the purpose of subsequent measurement financial assets are classified in two broad categories:-

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.

**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.





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**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.

**(F) 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

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.

**(G) 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.





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**(H) 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.

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.

**(I) 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.

**(J) 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 is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

**(K) Research and Development:**

Revenue expenditure on Research and Development is charged in the year 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.

**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) Income Tax:**

Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the Financial Statements. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilised. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024**

**Note 2 : Property, Plant and Equipment**

(Amount in Lakhs)

| Particulars                           | Office Equipment | Computers | Total |
|---------------------------------------|------------------|-----------|-------|
| <b>Balance as at 1st April, 2022</b>  | -                | -         | -     |
| Additions during the year             | -                | 0.58      | 0.58  |
| <b>Balance as at 31st March, 2023</b> | -                | 0.58      | 0.58  |
| Additions during the year             | 0.43             | 18.48     | 18.91 |
| <b>Balance as at 31st March, 2024</b> | 0.43             | 19.06     | 19.49 |
| <b>Depreciation</b>                   |                  |           |       |
| <b>Balance as at 1st April, 2022</b>  | -                | -         | -     |
| Depreciation for the year             | -                | 0.01      | 0.01  |
| <b>Balance as at 31st March, 2023</b> | -                | 0.01      | 0.01  |
| Depreciation for the year             | 0.06             | 4.51      | 4.57  |
| <b>Balance as at 31st March, 2024</b> | 0.06             | 4.52      | 4.58  |
| <b>Net Carrying Value</b>             |                  |           |       |
| <b>Balance as at 31st March, 2023</b> | -                | 0.57      | 0.57  |
| <b>Balance as at 31st March, 2024</b> | 0.37             | 14.54     | 14.91 |

2.1 In accordance with the Indian Accounting Standards -36 on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Ind AS. On the basis of the review carried out by the management, there was no impairment loss on Property, Plant and Equipment during the year ended March 31, 2024.

**Note: 3 Intangible Assets**

(Amount in Lakhs)

| Particulars                           | Design Software* | Total |
|---------------------------------------|------------------|-------|
| <b>Balance as at 1st April, 2022</b>  | -                | -     |
| Additions during the year             | -                | -     |
| <b>Balance as at 31st March, 2023</b> | -                | -     |
| Additions during the year             | 17.17            | 17.17 |
| <b>Balance as at 31st March, 2024</b> | 17.17            | 17.17 |
| <b>Amortisation</b>                   |                  |       |
| <b>Balance as at 1st April, 2022</b>  | -                | -     |
| Amortisation for the year             | -                | -     |
| <b>Balance as at 31st March, 2023</b> | -                | -     |
| Amortisation for the year             | 1.83             | 1.83  |
| <b>Balance as at 31st March, 2024</b> | 1.83             | 1.83  |
| <b>Net Carrying Value</b>             |                  |       |
| <b>Balance as at 31st March, 2023</b> | -                | -     |
| <b>Balance as at 31st March, 2024</b> | 15.34            | 15.34 |

\*Other than self generated



PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

| Note: 4 Other Non Current Financial Assets     |                           | (Amount in Lakhs)         |  |
|------------------------------------------------|---------------------------|---------------------------|--|
| Particulars                                    | As at<br>31st March, 2024 | As at<br>31st March, 2023 |  |
| Fixed Deposits with Banks held as Margin Money | 101.64                    | -                         |  |
| <b>Total</b>                                   | <b>101.64</b>             | <b>-</b>                  |  |

| Note: 5 Other Non Current Assets |                           | (Amount in Lakhs)         |  |
|----------------------------------|---------------------------|---------------------------|--|
| Particulars                      | As at<br>31st March, 2024 | As at<br>31st March, 2023 |  |
| Security Deposits                | 0.10                      | 0.10                      |  |
| <b>Total</b>                     | <b>0.10</b>               | <b>0.10</b>               |  |





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024**

**Note: 6 Income Tax**

**6.1 Current Tax**

| (Amount in Lakhs)            |                                     |                                     |
|------------------------------|-------------------------------------|-------------------------------------|
| Particulars                  | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
| Current Tax                  | -                                   | 4.68                                |
| Income Tax for Earlier Years | (0.03)                              | -                                   |
| <b>Total</b>                 | <b>(0.03)</b>                       | <b>4.68</b>                         |

**6.2 The major components of Tax Expense for the year ended 31st March, 2024 and 31st March, 2023 are as follows:**

| (Amount in Lakhs)                                                           |                                     |                                     |
|-----------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Particulars                                                                 | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
| <b>Recognised in the Statement of Profit and Loss</b>                       |                                     |                                     |
| Current Tax (Refer Note no. 6.1)                                            | (0.03)                              | 4.68                                |
| Deferred Tax:-Relating to origination and reversal of temporary differences | (2.67)                              | (0.07)                              |
| <b>Total Tax (Income)/ Expenses</b>                                         | <b>(2.70)</b>                       | <b>4.61</b>                         |

**6.3 Reconciliation between Tax Expense and Accounting Profit multiplied by tax rate for the year ended 31st March, 2024 & 31st March, 2023:**

| (Amount in Lakhs)                                                                   |                                     |                                     |
|-------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Particulars                                                                         | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
| Accounting Profit Before Tax                                                        | (76.30)                             | 18.14                               |
| Applicable tax rate (in %)                                                          | 25.17%                              | 25.17%                              |
| Computed Tax Expenses                                                               | (19.20)                             | 4.57                                |
| <b>Tax effect on account of:</b>                                                    |                                     |                                     |
| Business loss on which deferred tax assets not recognized                           | 16.35                               | -                                   |
| Expenses not Allowed under Income Tax Act                                           | 0.16                                | 0.04                                |
| <b>Income tax (Income)/ Expenses recognised in the Statement of Profit and Loss</b> | <b>(2.70)</b>                       | <b>4.61</b>                         |

**6.4 Deferred Tax Assets**

| Particulars                           | Balance Sheet          |                        | Statement of Profit and Loss        |                                     |
|---------------------------------------|------------------------|------------------------|-------------------------------------|-------------------------------------|
|                                       | As at 31st March, 2024 | As at 31st March, 2023 | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
| Property Plant and Equipment          | (1.27)                 | (0.03)                 | (1.24)                              | (0.03)                              |
| Expenses disallowed as per Income Tax | 4.01                   | 0.10                   | 3.91                                | 0.10                                |
| <b>Deferred Tax Assets</b>            | <b>2.74</b>            | <b>0.07</b>            | <b>2.67</b>                         | <b>0.07</b>                         |

**6.5 Reconciliation of Deferred Tax Assets (Net):**

| (Amount in Lakhs)                                                  |                                     |                                     |
|--------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Particulars                                                        | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
| Opening Balance at the beginning of the year                       | 0.07                                | -                                   |
| Deferred Tax Income recognised in the Statement of Profit and Loss | 2.67                                | 0.07                                |
| <b>Closing Balance at the end of the year</b>                      | <b>2.74</b>                         | <b>0.07</b>                         |



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024**

**Note: 7 Inventories**

(Amount in Lakhs)

| Particulars                    | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--------------------------------|---------------------------|---------------------------|
| Raw Material                   | 0.70                      | -                         |
| Work In Progress               | 75.70                     | 6.98                      |
| Stores, Spares and Consumables | 2.69                      | -                         |
| <b>Total</b>                   | <b>79.09</b>              | <b>6.98</b>               |

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

7.2 For Inventories hypothecated as security refer Note No 16

**Note: 8 Trade Receivables**

(Amount in Lakhs)

| Particulars     | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-----------------|---------------------------|---------------------------|
| (Unsecured)     |                           |                           |
| Considered Good | 139.09                    | 33.60                     |
| <b>Total</b>    | <b>139.09</b>             | <b>33.60</b>              |

8.1 For Hypothecated as security refer Note no 16

8.2 Trade Receivables Ageing Schedule as at March 31, 2024 and March 31, 2023 are as below :-

**As at 31st March, 2024**

(Amount in Lakhs)

| 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                                | 39.97        | 99.12                                                         | -                  | -         | -         | -                 | 139.09        |
| 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 – Credit impaired                                 | -            | -                                                             | -                  | -         | -         | -                 | -             |
| <b>Total Trade Receivables</b>                                               | <b>39.97</b> | <b>99.12</b>                                                  | <b>-</b>           | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>139.09</b> |

**As at 31st March, 2023**

(Amount in Lakhs)

| 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                                | -        | 33.60                                                         | -                  | -         | -         | -                 | 33.60        |
| 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 – Credit impaired                                 | -        | -                                                             | -                  | -         | -         | -                 | -            |
| <b>Total Trade Receivables</b>                                               | <b>-</b> | <b>33.60</b>                                                  | <b>-</b>           | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>33.60</b> |

**Note: 9 Cash And Cash Equivalents**

(Amount in Lakhs)

| Particulars                            | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|----------------------------------------|---------------------------|---------------------------|
| Balances with Bank In Current Accounts | -                         | 0.76                      |
| Cash on Hand                           | 1.41                      | -                         |
| <b>Total</b>                           | <b>1.41</b>               | <b>0.76</b>               |

9.1- For the purpose of statement of Cash Flows, cash and cash equivalents comprises of the following

(Amount in Lakhs)

| Particulars                            | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|----------------------------------------|---------------------------|---------------------------|
| Balances with Bank In Current Accounts | -                         | 0.76                      |
| Cash on Hand                           | 1.41                      | -                         |
| <b>Total</b>                           | <b>1.41</b>               | <b>0.76</b>               |





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024**

| <b>Note: 10 Loans</b> <span style="float: right;">(Amount in Lakhs)</span>                           |                                   |                                   |
|------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Particulars</b>                                                                                   | <b>As at<br/>31st March, 2024</b> | <b>As at<br/>31st March, 2023</b> |
| (Unsecured, Considered Good)<br>Loans to Employees                                                   | 0.20                              | -                                 |
| <b>Total</b>                                                                                         | <b>0.20</b>                       | <b>-</b>                          |
| <b>Note: 11 Others Current Financial Assets</b> <span style="float: right;">(Amount in Lakhs)</span> |                                   |                                   |
| <b>Particulars</b>                                                                                   | <b>As at<br/>31st March, 2024</b> | <b>As at<br/>31st March, 2023</b> |
| Interest Receivables                                                                                 | 1.09                              | -                                 |
| Security Deposits                                                                                    | 0.05                              | -                                 |
| <b>Total</b>                                                                                         | <b>1.14</b>                       | <b>-</b>                          |
| <b>Note: 12 Other Current Assets</b> <span style="float: right;">(Amount in Lakhs)</span>            |                                   |                                   |
| <b>Particulars</b>                                                                                   | <b>As at<br/>31st March, 2024</b> | <b>As at<br/>31st March, 2023</b> |
| Advances to Suppliers                                                                                | 7.51                              | -                                 |
| Balances with Government Authorities                                                                 | 8.49                              | 4.20                              |
| Other Advances                                                                                       | 0.44                              | 1.30                              |
| Prepaid Expenses                                                                                     | 2.78                              | 0.10                              |
| <b>Total</b>                                                                                         | <b>19.22</b>                      | <b>5.60</b>                       |



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024**

**Note: 13 Equity Share Capital**

| Particulars                                                                                                                 | (Amount in Lakhs)         |                           |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                             | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>Authorised</b><br>10,10,000 (31st March, 2023 : 10,10,000) Equity Shares of Rs. 10/- each                                | 101.00                    | 101.00                    |
|                                                                                                                             | <b>101.00</b>             | <b>101.00</b>             |
| <b>Issued, Subscribed and Paid up</b><br>10,10,000 (31st March, 2023 : 10,000) Equity Shares of Rs. 10/- each fully paid up | 101.00                    | 1.00                      |
| <b>Total</b>                                                                                                                | <b>101.00</b>             | <b>1.00</b>               |

**Note: 13.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the Year**

| Particulars                                      | As at 31st March, 2024 |               | As at 31st March, 2023 |             |
|--------------------------------------------------|------------------------|---------------|------------------------|-------------|
|                                                  | No. of shares          | Amount        | No. of shares          | Amount      |
| Shares outstanding at the beginning of the year  | 10,000                 | 1.00          | 10,000                 | 1.00        |
| Add: Shares Issued during the year               | 10,00,000              | 100.00        | -                      | -           |
| <b>Shares outstanding at the end of the year</b> | <b>10,10,000</b>       | <b>101.00</b> | <b>10,000</b>          | <b>1.00</b> |

**13.2** During the year, the Company has issued and allotted 10,00,000 equity shares at Face Value of Rs. 10 Each on par on right basis.

**13.3 Details of Shareholders holding more than 5% shares of the Company:**

| Name of Shareholder                                               | As at 31st March, 2024 |              | As at 31st March, 2023 |              |
|-------------------------------------------------------------------|------------------------|--------------|------------------------|--------------|
|                                                                   | No. of shares          | % of Holding | No. of shares          | % of Holding |
| Paras Defence & Space Technologies Limited (The Holding Company)* | 5,55,500               | 55.00%       | 5,500                  | 55.00%       |
| Keyur Sharad Kenia                                                | 1,51,197               | 14.97%       | 1,497                  | 14.97%       |
| Ashutosh Baheti                                                   | 3,03,000               | 30.00%       | 3,000                  | 30.00%       |

\* Out of the above, 1 share each is held by Mr. Munjal Shah as nominee of Paras Defence & Space Technologies Limited

**13.4 Details of shares held by promoters in the Company.**

| Particulars                                                      | As at 31st March, 2024 |              | As at 31st March, 2023 |              | % Changes From<br>31st March, 2023 to 31st March, 2024 |
|------------------------------------------------------------------|------------------------|--------------|------------------------|--------------|--------------------------------------------------------|
|                                                                  | No. of shares          | % of Holding | No. of shares          | % of Holding |                                                        |
| Paras Defence & Space Technologies Limited (The Holding Company) | 5,55,500               | 55.00%       | 5,500                  | 55.00%       | 0.00%                                                  |

**13.5** The Company has only one class of equity shares having a face value of Rs. 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.

**Note: 14 Other Equity**

| Particulars                                                   | (Amount in Lakhs)         |                           |                           |                           |
|---------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                                               | As at<br>31st March, 2024 | As at<br>31st March, 2024 | As at<br>31st March, 2023 | As at<br>31st March, 2023 |
| <b>Retained Earnings</b><br>Balance as per last Balance Sheet | 17.15                     |                           | 3.62                      |                           |
| Add: (Loss) / Profit after tax for the Year                   | (73.60)                   | (56.45)                   | 13.53                     | 17.15                     |
| <b>Total</b>                                                  |                           | <b>(56.45)</b>            |                           | <b>17.15</b>              |

**14.1. Nature And Purpose Of Reserves**

**Retained Earnings**

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

**Note: 15 Non-Current Provision**

| Particulars                                  | (Amount in Lakhs)         |                           |
|----------------------------------------------|---------------------------|---------------------------|
|                                              | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| Provision for Gratuity (Refer Note No. 24.1) | 1.99                      | -                         |
| <b>Total</b>                                 | <b>1.99</b>               | <b>-</b>                  |

**Note: 16 Current Financial Liabilities - Borrowings**

| Particulars                                                         | (Amount in Lakhs)         |                           |
|---------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                     | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>Secured :</b><br>Bank Overdraft (Refer Note No.16.1)             | 247.02                    | -                         |
| <b>Unsecured</b><br>Loans From a Director (Refer Note No.29 & 16.2) | -                         | 13.50                     |
| Loans From a Related Parties (Refer Note No.29 & 16.3)              | 30.00                     | -                         |
| <b>Total</b>                                                        | <b>277.02</b>             | <b>13.50</b>              |

**16.1** The Bank Overdraft of Rs. 247.02 Lakhs (31st March 2023: Rs. Nil) is secured by hypothecation of all existing and future current assets of the Company and moveable Property, Plant and Equipment and further secured by lien on Fixed Deposits and are guaranteed by directors in their personal capacity and Corporate Guarantee given by Holding Company. The above loans carries interest rate @ 12 p.a .

**16.2** Loan from a director was interest free and repayable on demand.

**16.3** Loan from holding Company is repayable on or before 31st March, 2025 and carries interest rate of 12% p.a.





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024**

**Note: 17 Trade Payables**

(Amount in Lakhs)

| Particulars                         | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-------------------------------------|---------------------------|---------------------------|
| Micro, Small and Medium Enterprises | 3.19                      | 0.19                      |
| Others                              | 10.05                     | 1.46                      |
| <b>Total</b>                        | <b>13.24</b>              | <b>1.65</b>               |

**17.1 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 :

(Amount in Lakhs)

| Particulars                                                                                                                                        | As at 31st March,<br>2024 | As at 31st March,<br>2023 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year                                                         | 3.19                      | 0.19                      |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year                                                    | 0.09                      | -                         |
| (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                                                          | 0.09                      | -                         |
| (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 | -                         | -                         |

**17.2 Trade Payables Ageing Schedules as at 31st March, 2024 and 31st March, 2023**

**As at 31st March, 2024** (Amount in Lakhs)

| 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                 | 0.46        | 2.73                                                          | -         | -         | -                 | 3.19         |
| Others               | 0.40        | 9.65                                                          | -         | -         | -                 | 10.05        |
| Disputed - MSME      | -           | -                                                             | -         | -         | -                 | -            |
| Disputed - Others    | -           | -                                                             | -         | -         | -                 | -            |
| <b>Total Payable</b> | <b>0.86</b> | <b>12.38</b>                                                  | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>13.24</b> |

**As at 31st March, 2023** (Amount in Lakhs)

| 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                 | 0.19        | -                                                             | -         | -         | -                 | 0.19        |
| Others               | 1.46        | -                                                             | -         | -         | -                 | 1.46        |
| Disputed - MSME      | -           | -                                                             | -         | -         | -                 | -           |
| Disputed - Others    | -           | -                                                             | -         | -         | -                 | -           |
| <b>Total Payable</b> | <b>1.65</b> | <b>-</b>                                                      | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>1.65</b> |

**Note: 18 Other Financial Liabilities**

(Amount in Lakhs)

| Particulars                  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|------------------------------|---------------------------|---------------------------|
| Creditors for Capital Goods  | 0.79                      | 0.68                      |
| Interest Accrued but not due | 2.08                      | 0.38                      |
| Interest accrued and due     | 0.09                      | -                         |
| Other payables*              | 32.91                     | 7.87                      |
| <b>Total</b>                 | <b>35.87</b>              | <b>8.93</b>               |

\* It includes Salary Payable, Audit fees and Corporate Guarantee Fees Payable.

**Note: 19 Other Current Liabilities**

(Amount in Lakhs)

| Particulars           | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-----------------------|---------------------------|---------------------------|
| Statutory Liabilities | 3.41                      | 0.77                      |
| <b>Total</b>          | <b>3.41</b>               | <b>0.77</b>               |

**Note: 20 Current Provisions**

(Amount in Lakhs)

| Particulars                                             | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---------------------------------------------------------|---------------------------|---------------------------|
| Provision for Gratuity (Rs. 330) (Refer Note No. 24.1 ) | 0.00                      | -                         |
| <b>Total</b>                                            | <b>0.00</b>               | <b>-</b>                  |



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**Note: 21 Revenue From Operations**

(Amount in Lakhs)

| Particulars      | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|------------------|----------------------------------------|----------------------------------------|
| Sale of Services | 193.39                                 | 55.39                                  |
| <b>Total</b>     | <b>193.39</b>                          | <b>55.39</b>                           |

**Note: 21.1**

**a) Revenue disaggregation by geography is as follows:**

(Amount in Lakhs)

| Particulars   | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|---------------|----------------------------------------|----------------------------------------|
| India         | 93.01                                  | -                                      |
| Outside India | 100.38                                 | 55.39                                  |
| <b>Total</b>  | <b>193.39</b>                          | <b>55.39</b>                           |

**b) Reconciliation of Revenue from Operations with Contract Price:**

(Amount in Lakhs)

| Particulars    | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|----------------|----------------------------------------|----------------------------------------|
| Contract Price | 193.39                                 | 55.39                                  |
| <b>Total</b>   | <b>193.39</b>                          | <b>55.39</b>                           |

**Note: 22 Other Income**

(Amount in Lakhs)

| Particulars                                                                                       | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|---------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Interest Income from Financial assets measured at amortised cost-<br>On fixed Deposits with Banks | 3.03                                   | -                                      |
| Liabilities written back                                                                          | 0.56                                   | -                                      |
| Gain on Foreign Currency Fluctuations (Net)                                                       | 1.97                                   | 0.16                                   |
| <b>Total</b>                                                                                      | <b>5.56</b>                            | <b>0.16</b>                            |





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**Note: 23 Changes In Inventories Of Work-In-Progress**

(Amount in Lakhs)

| Particulars                    | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|--------------------------------|----------------------------------------|----------------------------------------|
| <b>Closing Inventories:</b>    |                                        |                                        |
| Work In Progress               | 75.70                                  | 6.98                                   |
|                                | <b>75.70</b>                           | <b>6.98</b>                            |
| <b>Opening Inventories:</b>    |                                        |                                        |
| Work In Progress               | 6.98                                   | -                                      |
|                                | 6.98                                   | -                                      |
| <b>Increase In Inventories</b> | <b>(68.72)</b>                         | <b>(6.98)</b>                          |

**Note: 24 Employee Benefits Expenses**

(Amount in Lakhs)

| Particulars                               | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|-------------------------------------------|----------------------------------------|----------------------------------------|
| Salaries, Wages & Allowances              | 216.08                                 | 15.62                                  |
| Contribution to Provident and Other Funds | 2.98                                   | -                                      |
| <b>Total</b>                              | <b>219.06</b>                          | <b>15.62</b>                           |

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

(Amount in Lakhs)

| Particulars                                                                                          | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under</b> |                                        |                                        |
| Employer's Contribution to Provident Fund and ESIC                                                   | 0.97                                   | -                                      |

**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.

(Amount in Lakhs)

| Particulars                  | As at<br>31st March, 2024                       | As at<br>31st March, 2023 |
|------------------------------|-------------------------------------------------|---------------------------|
| <b>Actuarial Assumptions</b> |                                                 |                           |
| Mortality Table              | Indian Assured Lives<br>Mortality (2012-14) Ult | -                         |
| Salary growth                | 9.00%                                           | -                         |
| Discount Rate                | 7.19%                                           | -                         |
| Withdrawal Rate              | 11.00%                                          | -                         |

(Amount in Lakhs)

| Particulars                                                       | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Movement in present value of Defined Benefit Obligation</b>    |                           |                           |
| Defined Benefit Obligations at the beginning of the year          | -                         | -                         |
| Current Service Cost                                              | 1.99                      | -                         |
| Interest Cost                                                     | -                         | -                         |
| Actuarial Loss                                                    | -                         | -                         |
| Benefits Paid                                                     | -                         | -                         |
| <b>Defined Benefit Obligations at the end of the year</b>         | <b>1.99</b>               | <b>-</b>                  |
| Non- Current - Rs. 1.99 Lakhs (31st March, 2023 - Rs. NIL)        | -                         | -                         |
| Current - Rs. 0.00 Lakhs (Rs. 330) (31st March, 2023 - Rs. NIL)   | -                         | -                         |
| <b>Expense recognised in the Statement of Profit and Loss</b>     |                           |                           |
| Current Service Cost                                              | 1.99                      | -                         |
| Interest on Defined Benefit Obligations                           | -                         | -                         |
| <b>Total included in "Remuneration and Benefits to Employees"</b> | <b>1.99</b>               | <b>-</b>                  |
| <b>Remeasurements (recognised in Other Comprehensive Income)</b>  |                           |                           |
| Effect of changes in financial assumptions                        | -                         | -                         |
| Effect of changes in demographic assumptions                      | -                         | -                         |
| Effect of experience adjustments                                  | -                         | -                         |
| <b>Amount recognised in OCI at the end of the Year</b>            | <b>-</b>                  | <b>-</b>                  |



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

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

(Amount in Lakhs)

| Particulars                                                  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--------------------------------------------------------------|---------------------------|---------------------------|
| Net Obligations / (Assets) recognised at the end of the year | 1.99                      | -                         |

- 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.

**24.2 Sensitivity Analysis**

(Amount in Lakhs)

| Particulars                                             | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---------------------------------------------------------|---------------------------|---------------------------|
| Delta Effect of +1% Change in Rate of Discounting       | (0.21)                    | -                         |
| Delta Effect of -1% Change in Rate of Discounting       | 0.22                      | -                         |
| Delta Effect of +1% Change in Rate of Salary Increase   | 0.23                      | -                         |
| Delta Effect of -1% Change in Rate of Salary Increase   | (0.20)                    | -                         |
| Delta Effect of +1% Change in Rate of Employee Turnover | (0.11)                    | -                         |
| Delta Effect of -1% Change in Rate of Employee Turnover | 0.11                      | -                         |

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.

**24.3 Expected Payment towards Contributions to Gratuity in Future Years :**

(Amount in Lakhs)

| Year Ended            | Expected Payment |
|-----------------------|------------------|
| March, 2025           | 0.00             |
| March, 2026           | 0.00             |
| March, 2027           | 0.00             |
| March, 2028           | 0.00             |
| March, 2029           | 0.26             |
| March, 2030 and above | 4.81             |

**24.4 Risk Exposures**

These plans typically expose the company to actuarial risks as, Salary Risk, Discount Rate, Employee Turnover rate/Withdrawal rate, Mortality / Disability.

**Salary Risk**

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

**Discount Rate Risk**

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

**Employee Turnover rate/Withdrawal rate**

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

**Mortality / Disability**

Maturity Analyse is of Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above.

**24.5** The average duration of the defined benefit plan obligation at the end of the reporting period is 12.00 years

**Note: 25 Finance Costs**

(Amount in Lakhs)

| Particulars           | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|-----------------------|----------------------------------------|----------------------------------------|
| Interest Expenses     | 8.46                                   | -                                      |
| Other Borrowing Costs | 5.92                                   | 0.45                                   |
| <b>Total</b>          | <b>14.38</b>                           | <b>0.45</b>                            |

25.1 Above includes Interest of Rs. 0.14 Lakhs (31st March, 2023: Rs. 0.44 Lakh) on late payment of Advance Tax.





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**Note: 26 Depreciation**

(Amount in Lakhs)

| Particulars                                                      | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Depreciation of Property, Plant and Equipment (Refer Note No. 2) | 4.57                                   | 0.01                                   |
| Amortisation of Intangible Assets (Refer Note No. 3)             | 1.83                                   | -                                      |
| <b>Total</b>                                                     | <b>6.40</b>                            | <b>0.01</b>                            |

**Note: 27 Other Expenses**

(Amount in Lakhs)

| Particulars                                           | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|-------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Manufacturing expenses</b>                         |                                        |                                        |
| Cost of Consumables                                   | 1.38                                   | -                                      |
| Job Processing Charges                                | 1.29                                   | 0.02                                   |
| Other Manufacturing Expenses                          | 0.73                                   | -                                      |
|                                                       | <b>3.40</b>                            | <b>0.02</b>                            |
| <b>Selling &amp; Distribution Expenses</b>            |                                        |                                        |
| Research and development expenses                     | 7.33                                   | 18.08                                  |
| Business Promotion Expenses                           | 15.06                                  | 0.39                                   |
| Participation Fees                                    | -                                      | 0.59                                   |
|                                                       | <b>22.39</b>                           | <b>19.06</b>                           |
| <b>Administrative Expenses</b>                        |                                        |                                        |
| Rent (Refer Note No. 29)                              | 1.20                                   | 1.20                                   |
| Legal and Professional Fees                           | 8.70                                   | 0.43                                   |
| Payment to Auditors (Refer Note No. 27.1)             | 1.25                                   | 1.25                                   |
| Rates and Tax                                         | 0.36                                   | 2.26                                   |
| Travelling And Conveyance                             | 10.86                                  | 2.02                                   |
| Computer Expenses                                     | 0.25                                   | -                                      |
| Fees and subscriptions                                | 1.40                                   | 0.09                                   |
| Printing & Stationery                                 | 0.48                                   | 0.02                                   |
| Miscellaneous Expenses                                | 1.80                                   | 0.08                                   |
|                                                       | <b>26.30</b>                           | <b>7.35</b>                            |
| <b>Other Expenses</b>                                 |                                        |                                        |
| Bank Charges                                          | 0.68                                   | 0.05                                   |
| Commission on Corporate Guarantee (Refer Note No. 29) | 2.55                                   | -                                      |
|                                                       | <b>3.23</b>                            | <b>0.05</b>                            |
| <b>Total</b>                                          | <b>55.32</b>                           | <b>26.48</b>                           |

**27.1 Break-up of Payment to Auditors :**

(Amount in Lakhs)

| Particulars         | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|---------------------|----------------------------------------|----------------------------------------|
| For Statutory Audit | 0.75                                   | 0.75                                   |
| For Limited Review  | 0.50                                   | 0.50                                   |
| <b>Total</b>        | <b>1.25</b>                            | <b>1.25</b>                            |



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**Note: 28 Earnings Per Share**

(Amount in Lakhs)

| Particulars                                              | For the Year ended<br>31st March, 2024 | For the Year ended 31st<br>March, 2023 |
|----------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Basic Earnings Per Share</b>                          |                                        |                                        |
| Profit for the Year                                      | (73.60)                                | 13.53                                  |
| Weighted average number of Equity Shares (Nos.)          | 9,19,836                               | 10,000                                 |
| Basic Earnings Per Share of Rs.10/- each                 | (8.00)                                 | 135.30                                 |
| <b>Diluted Earnings Per Share</b>                        |                                        |                                        |
| Amount available for calculation of Diluted EPS          | (73.60)                                | 13.53                                  |
| Weighted average number of Equity Shares (Nos.)          | 9,19,836                               | 10,000                                 |
| Add : Potential number of Equity Shares (Nos.)           | -                                      | -                                      |
| No. of shares used for calculation of Diluted EPS (Nos.) | 9,19,836                               | 10,000                                 |
| Diluted Earnings Per Share of Rs.10/- each               | (8.00)                                 | 135.30                                 |





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024**

**Note: 29 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 detailed below:

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

**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 Lakhs) |
|----------------------------------------------------|----------------------------------------------|-----------|-------------------|
| Nature of Transactions                             | Name of the Related Parties                  | 2023-2024 | 2022-2023         |
| <b>Transactions with Holding Company:</b>          |                                              |           |                   |
| Lease Rent Expenses                                | Paras Defence and Space Technologies Limited | 1.20      | 1.20              |
| Equity Share Issued                                |                                              | 55.00     | -                 |
| Reimbursement of Expenses on behalf of the Company |                                              | -         | 1.26              |
| Loans Taken from Related Party                     |                                              | 181.00    | -                 |
| Loans Repaid to Related party                      |                                              | 151.00    | -                 |
| Interest Expenses                                  |                                              | 0.92      | -                 |
| Corporate Guarantee Fees                           |                                              | 2.55      | -                 |
| Corporate Guarantee Taken                          |                                              | 510.00    | -                 |
| <b>Transactions with Key Management Personnel:</b> |                                              |           |                   |
| Loans Taken from Director                          | Munjal Sharad Shah                           | 34.00     | 19.80             |
| Loans Repaid                                       |                                              | 47.50     | 10.70             |

**(c) Balances at the year end**

|                                               |  | (Amount in Lakhs)      |                        |
|-----------------------------------------------|--|------------------------|------------------------|
| Name of the Related Parties                   |  | As at 31st March, 2024 | As at 31st March, 2023 |
| <b>Balances with Holding Company:</b>         |  |                        |                        |
| Intercompany Deposit Taken                    |  | 30.00                  | -                      |
| Corporate Guarantee taken                     |  | 510.00                 | -                      |
| <b>Other Financial Liabilities</b>            |  |                        |                        |
| Corporate Guarantee Fees Payable              |  | 2.55                   | -                      |
| Interest payable                              |  | 0.19                   | -                      |
| <b>Balance with Key Management Personnel:</b> |  |                        |                        |
| Current Borrowings - Loan from director       |  | -                      | 13.50                  |
| Munjal Sharad Shah                            |  | -                      | 13.50                  |

**Note: 30 Fair Values**

**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 Lakhs)            |                        |               |                        |              |
|------------------------------|------------------------|---------------|------------------------|--------------|
| Particulars                  | As at 31st March, 2024 |               | As at 31st March, 2023 |              |
|                              | Carrying Value         | Fair Value    | Carrying Value         | Fair Value   |
| <b>Financial Assets</b>      |                        |               |                        |              |
| Trade Receivables            | 139.09                 | 139.09        | 33.60                  | 33.60        |
| Cash & Cash equivalents      | 1.41                   | 1.41          | 0.76                   | 0.76         |
| Loans                        | 0.20                   | 0.20          | -                      | -            |
| Others Financial Assets      | 102.78                 | 102.78        | -                      | -            |
| <b>Total</b>                 | <b>243.48</b>          | <b>243.48</b> | <b>34.36</b>           | <b>34.36</b> |
| <b>Financial Liabilities</b> |                        |               |                        |              |
| Current Borrowings           | 277.02                 | 277.02        | 13.50                  | 13.50        |
| Trade Payables               | 13.24                  | 13.24         | 1.65                   | 1.65         |
| Other Financial Liabilities  | 35.87                  | 35.87         | 8.93                   | 8.93         |
| <b>Total</b>                 | <b>326.13</b>          | <b>326.13</b> | <b>24.08</b>           | <b>24.08</b> |

**Note: 31 Financial Risk Management**

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

**31.1 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 comprises of foreign currency rate risk

**Foreign Currency Rate 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 and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax (PBT) due to changes in the fair values of monetary assets and liabilities is given below:

| Unhedged Foreign currency exposure As at 31st March, 2024 |  | Currency | Amount in FC | Amount in Lakhs |
|-----------------------------------------------------------|--|----------|--------------|-----------------|
| Trade Receivable                                          |  | EURO     | 44,300.00    | 39.97           |
| Trade Payable                                             |  | USD      | 10,402.66    | 8.67            |
| Unhedged Foreign currency exposure As at 31st March, 2023 |  | Currency | Amount in FC | Amount in Lakhs |
| Trade Receivable                                          |  | EURO     | 37,500.00    | 33.60           |
| Trade Payable                                             |  | USD      | 1,776.29     | 1.46            |



**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024**

**Foreign Currency Sensitivity**

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

(Amount in Lakhs)

| Particulars                                       | 2023-24     |               | 2022-23     |               |
|---------------------------------------------------|-------------|---------------|-------------|---------------|
|                                                   | 2% increase | 2% decrease   | 2% increase | 2% decrease   |
| EURO                                              | 0.80        | (0.80)        | 0.67        | (0.67)        |
| USD                                               | (0.17)      | 0.17          | (0.03)      | 0.03          |
| <b>Increase / (Decrease) in Profit Before Tax</b> | <b>0.63</b> | <b>(0.63)</b> | <b>0.64</b> | <b>(0.64)</b> |

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

(Amount in Lakhs)

| Particulars       | As at 31st March, 2024 |                | As at 31st March, 2023 |                |
|-------------------|------------------------|----------------|------------------------|----------------|
|                   | Gross Carrying Amount  | Loss Allowance | Gross Carrying Amount  | Loss Allowance |
| Trade Receivables | 139.09                 | -              | 33.60                  | -              |

**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.

**31.3 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 and Holding Company, 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.

**31st March, 2024**

(Amount in Lakhs)

| Particulars                 | On demand     | Up to 1 year | More than 1 year | Total         |
|-----------------------------|---------------|--------------|------------------|---------------|
| <b>Liabilities</b>          |               |              |                  |               |
| Current Borrowings          | 277.02        | -            | -                | 277.02        |
| Trade Payables              | -             | 13.24        | -                | 13.24         |
| Other Financial Liabilities | -             | 35.87        | -                | 35.87         |
| <b>Total</b>                | <b>277.02</b> | <b>49.11</b> | <b>-</b>         | <b>326.13</b> |

**31st March, 2023**

(Amount in Lakhs)

| Particulars                 | On demand    | Up to 1 year | More than 1 year | Total        |
|-----------------------------|--------------|--------------|------------------|--------------|
| <b>Liabilities</b>          |              |              |                  |              |
| Current Borrowings          | 13.50        | -            | -                | 13.50        |
| Trade Payables              | -            | 1.65         | -                | 1.65         |
| Other Financial Liabilities | -            | 8.93         | -                | 8.93         |
| <b>Total</b>                | <b>13.50</b> | <b>10.58</b> | <b>-</b>         | <b>24.08</b> |

**Note: 32 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's 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 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.

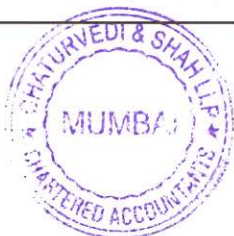
(Amount in Lakhs)

| Particulars                               | As at 31st March, 2024 | As at 31st March, 2023 |
|-------------------------------------------|------------------------|------------------------|
| Total Debt                                | 277.02                 | 13.50                  |
| Less: Cash and cash equivalent            | 1.41                   | 0.76                   |
| <b>Net Debt</b>                           | <b>275.61</b>          | <b>12.74</b>           |
| Equity                                    | 44.55                  | 18.15                  |
| <b>Total Capital (Equity + Net Debts)</b> | <b>320.16</b>          | <b>30.89</b>           |
| <b>Gearing Ratio</b>                      | <b>86.09%</b>          | <b>41.24%</b>          |

**Note: 33 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.

33.1 Revenue from operations Rs. 193.39 Lakh (31st March, 2023: Rs. 55.39 Lakhs) from 2 customers (31st March, 2023: 1 customer) having more than 10% of the Total revenue.





**PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024**

**Note: 34 Ratio Analysis and its Components**

| Ratios                                | Numerator                                                                                                                                                        | Denominator                                                                       | As at 31st March, 2024 | As at 31st March, 2023 | % Variance | Reason for Material Variance                                                                                                                                        |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------|------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Current Ratio                      | Current assets                                                                                                                                                   | Current liabilities                                                               | 0.73                   | 1.59                   | -53.94%    | The change is mainly on account of increase in current borrowings and increase in inventories and trade receivables during the year                                 |
| 2. Debt- Equity Ratio                 | Total Debt                                                                                                                                                       | Total Equity (Equity Share capital + Other equity)                                | 6.22                   | 0.74                   | 740.29%    | The increase is mainly due to the increase on current borrowings during the year                                                                                    |
| 3. Debt Service Coverage Ratio        | Earnings available for debt service (Net (loss) / profit after taxes + depreciation & amortization + Finance cost + Non cash operating items + other adjustment) | Finance cost + principle repayment of long term borrowings during the period/year | (3.71)                 | 30.93                  | -112.00%   | The decrease is mainly due to decrease in earnings available for debt service of the Company and increase in finance cost                                           |
| 4. Return on Equity (ROE)             | Net (loss) / profit after tax                                                                                                                                    | Average Total Equity [(Opening Total Equity + Total Equity)/2]                    | -234.77%               | 118.83%                | -297.57%   | The increase is due to net loss during the year                                                                                                                     |
| 5. Inventory Turnover Ratio           | Revenue from Operations                                                                                                                                          | Average Inventory [(opening balance+ closing balance)/2]                          | 4.49                   | 15.87                  | 100.00%    | The decrease is mainly due to increase in inventory but not in the same proportion to increase in Revenue from operations                                           |
| 6. Trade Receivables Turnover Ratio   | Revenue from Operations                                                                                                                                          | Average Trade Receivable [(opening balance+ closing balance)/2]                   | 2.24                   | 2.45                   | -8.58%     |                                                                                                                                                                     |
| 7. Trade Payables Turnover Ratio      | Net Credit Purchases                                                                                                                                             | Average Trade Payables [(opening balance+ closing balance)/2]                     | 6.56                   | 2.22                   | 100.00%    | The increase is mainly on account of increase in Purchases during the year.                                                                                         |
| 8. Net Capital Turnover Ratio         | Revenue from Operations                                                                                                                                          | Working capital ((Current asset - Investments) - current liabilities)             | (2.19)                 | 3.18                   | -168.96%   | The decrease is mainly due to the negative working capital resulting from a significant increase in current liabilities that exceeds the increase in current assets |
| 9. Net Profit Ratio                   | Net (Loss) / Profit after tax                                                                                                                                    | Revenue from Operations                                                           | -38.06%                | 24.43%                 | -255.78%   | The decrease due to increase in overall expenditure which resulted in net loss after tax during the year.                                                           |
| 10. Return on capital employed (ROCE) | (Loss)/ Profit Before interest & Tax                                                                                                                             | Total Equity + Total Debts + Deferred Tax Liability                               | -19.26%                | 58.74%                 | -132.78%   | The decrease is mainly due to decrease in EBIT during the 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 AS AT 31ST MARCH, 2024**

**Note: 35 Other Statutory Information**

- 35.1** 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.
- 35.2** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 35.3** 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.
- 35.4** 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.
- 35.5** The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- 35.6** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 35.7** 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 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 Funding Party (Ultimate Beneficiaries) or (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note: 36**

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)

*R. B. Shah*  
Rupesh Shah  
Partner  
Membership No. 117964

Date: 23rd May, 2024

For and on behalf of Board of Directors

*Munjal Shah*  
Munjal Shah  
Director  
DIN: 01080863

*Amit Mahajan*  
Amit Mahajan  
Director  
DIN: 01087400

