

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARAS AEROSPACE PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **PARAS AEROSPACE 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:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- 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. P. Shah

Rupesh Shah
Partner

Membership No. 117964
UDIN No.: 24117964BKFYDJ8201



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 AEROSPACE 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 or intangible assets during the year.
 - e) According to information and explanations given to us and as represented 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) As per the information and explanations given to us and examination of books of account and other records produced before us, in our opinion quarterly returns or statements filed by the Company with banks or financial institutions pursuant to terms of sanction letters for working capital limits secured by current assets are in agreement with the books of account of the Company.



- iii. With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to Companies, Firms, Limited Liability Partnerships or any other parties:
- a) As per the information and explanations given to us and books of account and records produced before us, during the year Company has not provided any guarantee or security or has not granted any loans or advances in the nature of loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other entities. Therefore, the provisions of clause (iii) (a), (c) to (f) of paragraph 3 of the Order are not applicable to the Company.
- b) In our opinion and according to information and explanations given to us and on the basis of our audit procedures, during the year, the investments made are, *prima facie*, not prejudicial to Company's interest
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 & 186 of the Act as applicable, in respect of making investments during the year. During the year Company has not granted loans and not provided any guarantee and security.
- 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, employees' state insurance, income-tax, duty of customs, duty of excise, cess and any other statutory dues to 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 records examined by us, the Company has not defaulted in repayment of loans or 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 willful 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, the money raised by way of term loans have been applied, *prima facie*, for the purpose for which they were obtained.
- 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 provisions of 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 incurred cash losses of Rs. 129.93 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. Shah

Rupesh Shah
Partner
Membership No. 117964
UDIN No.: 24117964BKFYDJ8201

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 AEROSPACE 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 AEROSPACE 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. R. Shah

Rupesh Shah
Partner

Membership No. 117964
UDIN No.: 24117964BKFYDJ8201

Nagpur

Date: May 23, 2024



PARAS AEROSPACE 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	
I Assets					
1) Non Current Assets					
a. Property, Plant and Equipment	2	140.59		132.48	
b. Intangible Assets	3	4.65		5.84	
c. Financial Assets					
i Investments	4	3.46		2.01	
ii Other Financial Assets	5	447.49		-	
d. Non Current Tax Assets		5.17		0.27	
e. Deferred Tax Assets (Net)	6	-		3.76	
f. Other Non Current Assets	7	0.28	601.64	10.05	154.41
2) Current Assets					
a. Inventories	8	844.72		182.77	
b. Financial Assets					
i Trade Receivables	9	1,591.28		437.01	
ii Cash and Cash Equivalents	10	2.39		1.76	
iii Bank Balances other than (ii) above	11	119.21		164.01	
iv Other Financial Assets	12	4.37		3.16	
c. Other Current Assets	13	1,047.26	3,609.23	96.33	885.04
TOTAL ASSETS			4,210.87		1,039.45
II Equity And Liabilities					
Equity					
a. Equity Share Capital	14	101.00		101.00	
b. Other Equity	15	(214.22)	(113.22)	1.09	102.09
Liabilities					
1) Non Current Liabilities					
a. Financial Liabilities					
i Borrowings	16	115.68	115.68	94.58	94.58
2) Current Liabilities					
a. Financial Liabilities					
i Borrowings	17	3,886.32		742.45	
ii Trade Payables	18				
Total Outstanding dues of Micro enterprises and small enterprises		129.83		4.19	
Total Outstanding dues of creditors other than Micro enterprises and small enterprises		73.53		74.84	
iii Other Financial Liabilities	19	78.62		18.35	
b. Other Current Liabilities	20	40.11	4,208.41	2.95	842.78
TOTAL EQUITY AND LIABILITIES			4,210.87		1,039.45
Material Accounting Policies and Notes to the Financial Statements	1 to 38				

As per our Report of even date

For and on behalf of Board of Directors

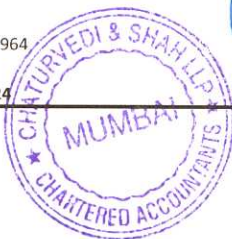
For Chaturvedi & Shah LLP
Chartered Accountants
(Firm Registration No. 101720W/W100355)

Rupesh Shah
Partner
Membership No. 117964

Date: 23rd May, 2024

Munjal Shah
Director
DIN: 01080863

Amit Mahajan
Director
DIN: 01087400



PARAS AEROSPACE 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	1,690.50	640.54
2	Other Income	22	20.92	6.38
3	Total Income (1+2)		1,711.42	646.92
4	Expenses			
	Cost of Materials Consumed		1,249.35	323.09
	Purchase of Stock in Trade		634.85	-
	Changes in Inventories of Work in Progress , Finished Goods & Stock In Trade	23	(701.50)	(110.43)
	Employee Benefits Expense	24	131.36	126.07
	Finance Costs	25	204.16	50.08
	Depreciation & Amortization Expense	26	75.93	41.10
	Other Expenses	27	327.61	203.44
	Total Expenses		1,921.76	633.35
5	(Loss) / Profit Before Exceptional Items and Tax (3-4)		(210.34)	13.57
6	Exceptional Items		-	-
7	(Loss) / Profit Before Tax (5-6)		(210.34)	13.57
8	Tax Expenses :			
(a)	Current Tax		-	3.23
(b)	Deferred Tax	6	3.76	(3.48)
(c)	Income Tax for Earlier Years		1.21	-
9	(Loss) / Profit for the Year (7-8)		(215.31)	13.82
10	Other Comprehensive Income			
(i)	Items that will not be reclassified to Profit or Loss		-	-
(ii)	Items that will be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income (Net of Tax)		-	-
	Total Comprehensive Income for the Year (9-10)		(215.31)	13.82
11	Earnings per Equity Share of Rs. 10/- each	28		
	Basic (Rs.)		(21.32)	1.37
	Diluted (Rs.)		(21.32)	1.37
	Material Accounting Policies and Notes to the Financial Statements	1 to 38		

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

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 AEROSPACE 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	101.00	-	101.00	-	101.00

B. OTHER EQUITY

(Amount in Lakhs)		
Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1st April, 2022	(12.73)	(12.73)
Total Comprehensive Income for the Year	13.82	13.82
Balance As at 31st March, 2023	1.09	1.09
Balance as at 1st April, 2023	1.09	1.09
Total Comprehensive Income for the Year	(215.31)	(215.31)
Balance As at 31st March, 2024	(214.22)	(214.22)

As per our Report of even date

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

R. Shah
Rupesh Shah
Partner
Membership No. 117964

For and on behalf of Board of Directors

Munjal Shah
Munjal Shah
Director
DIN: 01080863

Amit Mahajan
Amit Mahajan
Director
DIN: 01087400

Date: 23rd May, 2024



PARAS AEROSPACE PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2024	For the year ended 31st March, 2023	For the year ended 31st March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES				
(Loss)/Profit before Tax as per the Statement of Profit and Loss		(210.34)		13.57
ADJUSTED FOR :				
Depreciation and Amortisation Expense	75.93		41.10	
Finance Costs	204.16		50.08	
Interest Income	(19.98)		(6.08)	
Dividend Income	(0.02)		-	
Provision for Doubtful Advances	5.40		-	
Liabilities written back (Net)	(0.92)		(0.30)	
Unrealized Loss of Foreign Currency Transaction (Net)	0.02	264.59	-	84.80
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		54.25		98.37
ADJUSTMENTS FOR :				
Trade and Other Receivables	(2,105.60)		(393.91)	
Inventories	(661.95)		(160.96)	
Trade and Other Payables	167.68	(2,599.87)	87.78	(467.09)
CASH USED IN OPERATING ACTIVITIES		(2,545.62)		(368.72)
Income Tax (Paid)		(6.11)		(0.56)
NET CASH USED IN OPERATING ACTIVITIES (A)		(2,551.73)		(369.28)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment, Intangible assets		(78.36)		(168.76)
Purchase of Non Current Investment		(1.45)		(2.01)
Dividend Income		0.02		-
Interest Income		19.02		5.89
NET CASH USED IN INVESTING ACTIVITIES (B)		(60.77)		(164.88)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Non Current Borrowings		57.55		120.00
Repayment of Non Current Borrowings		(25.05)		(4.89)
Current Borrowings (net)		3,132.47		532.10
Finance Costs		(149.15)		(50.01)
Margin Money		(402.69)		(62.96)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		2,613.13		534.24
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		0.63		0.08
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1.76		1.68
CASH AND CASH EQUIVALENTS AT END OF YEAR (Refer Note No. 10.1)		2.39		1.76

Notes:

(i) Figures in brackets indicate Outflows.

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

Particulars	(Amount in Lakhs)	
	Balance as at 31st March, 2024	Balance as at 31st March, 2023
Opening Balance of Liabilities Arising From Financing Activities	837.03	189.82
Add : Changes from Cash Flow from Financing Activities (Net)	3,164.97	647.21
Closing Balance of Liabilities Arising From Financing Activities	4,002.00	837.03

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

(iv) 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 and on behalf of Board of Directors

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

R. B. Shah

Rupesh Shah
Partner
Membership No. 117964

Date: 23rd May, 2024



Munjal Shah
Munjal Shah
Director
DIN: 01080863



Amit Mahajan

Amit Mahajan
Director
DIN: 01087400

PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

1.1 Corporate Information

Paras Aerospace 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, MIDC, Nerul, Navi Mumbai, Maharashtra -400706. The Holding Company is Paras Defence & Space Technologies Limited.

The main object of the company is to set up the business to provide products and services to aviation, aerospace and allied industries. Further the company specializes in aerial mapping, surveying and offer complete UAV integration and UAV based services.

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 off 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 off 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 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 the Property, Plant and Equipment is provided using straight line method over the useful life of the assets as specified in Schedule II to the Companies Act, 2013 except for following assets where the useful life is different as per technical evaluation than those prescribed in Schedule II are mentioned below-

Particulars	Useful Life
Drone Charging Station	2 Years
Drone	3 Years

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) Impairment of Non-Financial Assets - Property, Plant and Equipment & Intangible Assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

(D) Taxes on Income:

Tax expense represents the sum of current tax and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

(E) 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. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores & spares, packing materials are determined on weighted average basis. The Cost of Work in Progress and Finished Goods is determined on absorption costing methods.

(F) 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.

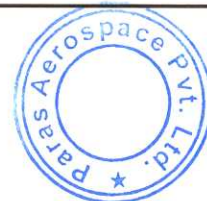
Financial assets - Derecognition

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 off directly attributable transaction costs.



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Financial Liabilities - Subsequent measurement:

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

Financial Liabilities - Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Financial liability - Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(G) Fair Value:

The Company measures financial instruments at fair value at each Balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

(H) 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 transferred upon shipment of goods to the customer or when the goods are 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 AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

(I) Foreign currency transactions and translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

In case of an asset, expense or income where a monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

(J) 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.

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 AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note 2 : Property, Plant And Equipment

(Amount in Lakhs)

Particulars	Office Equipment	Plant and Equipment	Furniture & Fixtures	Vehicles	Total
Balance as at 1st April, 2022	3.98	15.03	-	-	19.01
Additions for the year	7.06	150.11	0.19	-	157.36
Balance as at 31st March, 2023	11.04	165.14	0.19	-	176.37
Additions for the year	66.11	6.00	-	10.74	82.85
Balance as at 31st March, 2024	77.15	171.14	0.19	10.74	259.22
Depreciation					
Balance as at 1st April, 2022	0.30	3.56	-	-	3.86
Depreciation for the year	1.73	38.29	0.01	-	40.03
Balance as at 31st March, 2023	2.03	41.85	0.01	-	43.89
Depreciation for the year	21.06	52.66	0.02	1.00	74.74
Balance as at 31st March, 2024	23.09	94.51	0.03	1.00	118.63
Net Carrying Value					
Balance as at 31st March, 2023	9.01	123.29	0.18	-	132.48
Balance as at 31st March, 2024	54.06	76.63	0.16	9.74	140.59

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.

2.2 Property, Plant and Equipment includes assets hypothecated as security (Refer note no.16 and 17).

Note: 3 Intangible Assets

(Amount in Lakhs)

Particulars	Computer Software*	Total
Balance as at 1st April, 2022	-	-
Additions for the year	6.91	6.91
Balance as at 31st March, 2023	6.91	6.91
Additions for the year	-	-
Balance as at 31st March, 2024	6.91	6.91
Amortisation		
Balance as at 1st April, 2022	-	-
Amortisation for the Year	1.07	1.07
Balance as at 31st March, 2023	1.07	1.07
Amortisation for the Year	1.19	1.19
Balance as at 31st March, 2024	2.26	2.26
Net Carrying Amount		
Balance as at 31st March, 2023	5.84	5.84
Balance as at 31st March, 2024	4.65	4.65

*Other than self generated



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note: 4 Non Current Investment

Particulars	Number of Shares		Face Value (In Rs.)	(Amount in Lakhs)	
	31st March, 2024	31st March, 2023		As at 31st March, 2024	As at 31st March, 2023
(Unquoted, Fully Paid Up)					
A. Investment in Equity Instruments					
(Carried at fair value through Profit & Loss)					
Hindustan Agri Drones and Spacex Limited (Rs.10.00)	1	1	10	0.00	0.00
NKGSB Co- Operative Bank Limited	34,550	20,050	10	3.46	2.01
Total				3.46	2.01

Particulars	(Amount in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
Aggregate Amount of Unquoted Investments	3.46	2.01
Aggregate Amount of Quoted Investments and Market Value	-	-
Investment Carried at fair value through Profit and Loss	3.46	2.01

Note: 5 Other Non Current Financial Assets

Particulars	(Amount in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
Fixed Deposit with Bank held as Margin Money	447.49	-
Total	447.49	-



PARAS AEROSPACE 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	-	3.23
Income Tax for Earlier Years	1.21	-
Total	1.21	3.23

6.2 The major components of Tax Expense For the Year Ended 31st March, 2024 & 31st March, 2023 are as follows:

(Amount in Lakhs)		
Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Recognized in the statement on Profit and Loss		
Current Tax	1.21	3.23
Deferred Tax:-Relating to origination and reversal of temporary differences	3.76	(3.48)
Total Tax Expense/ (Income)	4.97	(0.25)

6.3 Reconciliation between Tax Expense and Accounting Profit multiplied by tax rate For the Year Ended 31st March, 2024 and 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	(210.34)	13.57
Applicable tax rate (in %)	25.17%	25.17%
Computed Tax Expenses	(52.94)	3.42
Tax effect on account of:		
Loss on which deferred tax assets not recognised	-	(3.68)
Expenses not allowed under Income Tax	0.12	0.01
Deferred Tax Assets not recognized	56.58	-
Income Tax for Earlier Years	1.21	-
Income tax Expenses / (Income) recognised in the Statement of Profit and Loss	4.97	(0.25)

6.4 Deferred Tax Assets relates to the following:

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	9.55	3.76	5.79	3.48
Items Disallowed as per Income Tax Act, 1961	33.92	-	33.92	-
Unabsorbed Depreciation	13.11	-	13.11	-
Deferred Tax Assets	56.58	3.76	52.82	3.48

6.5 As at March 31, 2024, the Company has Net Deferred Tax Assets of Rs. 56.58 Lakhs. In the absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, the same has not been recognized in the books of account in line with Indian Accounting Standard 12 dealing with "Income Taxes".

6.6 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	3.76	0.28
Deferred Tax Income recognised in the Statement of Profit and Loss	(3.76)	3.48
Closing Balance at the end of the year	-	3.76



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note: 7 Other Non Current Assets

Particulars	(Amount in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
Capital Advances		
Unsecured Considered Good	-	9.89
Considered Doubtful	5.40	-
	5.40	9.89
Less : Provision for Doubtful Advance	5.40	-
	-	9.89
Prepaid Expenses	0.13	0.01
Security Deposits	0.15	0.15
Total	0.28	10.05

Note: 8 Inventories

Particulars	(Amount in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
Finished Goods	397.66	-
Finished Goods in Transit	108.64	-
Work-in-Progress	77.11	129.46
Stock in Trade	173.14	-
Stock in Trade in Transit	74.41	-
Raw Material	13.31	46.49
Stores, Spares and Consumables	0.45	6.82
Total	844.72	182.77

- 8.1 For basis of valuation Refer Accounting Policy Note No. 1.3(E)
8.2 For Inventories hypothecated as security refer Note No 17

Note: 9 Trade Receivables

Particulars	(Amount in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
(Unsecured)		
Considered Good	1,372.63	437.01
Significant Increase in Credit Risk	218.65	-
Total	1,591.28	437.01

Trade Receivables Ageing Schedule As at 31st March, 2024

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	1,224.97	147.66	-	-	-	-	1,372.63
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	218.40	0.25	-	-	218.65
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	-	-	-	-	-	-	-
Total	1,224.97	147.66	218.40	0.25	-	-	1,591.28

Trade Receivables Ageing Schedule As at 31st March, 2023

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	-	437.01	-	-	-	-	437.01
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	-	-	-	-	-	-	-
Total	-	437.01	-	-	-	-	437.01

Note: 10 Cash And Cash Equivalents

Particulars	(Amount in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
Balances with a Bank In Current Account	0.27	0.27
Cash in Hand	2.12	1.49
Total	2.39	1.76

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

Particulars	(Amount in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
Balances with a Bank In Current Account	0.27	0.27
Cash in Hand	2.12	1.49
Total	2.39	1.76



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note: 11 Bank Balances Other Than Cash And Cash Equivalents

(Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Fixed Deposits with Banks Pledged as Margin Money	119.21	164.01
Total	119.21	164.01

Note: 12 Others Current Financial Assets

(Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest Receivable	1.52	0.56
Security Deposits	2.85	2.60
Total	4.37	3.16

Note: 13 Other Current Assets

(Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Advances to Suppliers	842.42	76.13
Balances with Government Authorities	159.78	12.33
Prepaid Expenses	44.63	6.61
Other Advances	0.43	1.26
Total	1,047.26	96.33



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note: 14 Equity Share Capital

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised 10,10,000 (31st March 2023: 10,10,000) Equity Shares of Rs. 10/- each	101.00	101.00
	101.00	101.00
Issued, Subscribed and Paid up 10,10,000 (31st March 2023 : 10,10,000) Equity Shares of Rs. 10/- each	101.00	101.00
Total	101.00	101.00

14.1 Reconciliation of equity shares outstanding at the beginning and at the end of the Year

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning and end of the year	10,10,000	101.00	10,10,000	101.00

14.2 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	% Holding	No. of shares	% Holding
Paras Defence & Space Technologies Limited (The Holding Company)*	6,06,000	60.00%	6,06,000	60.00%
Swati Sinha	3,40,415	33.70%	3,63,600	36.00%

* Out of the above, 1 share each is held by Mr. Sharad Virji Shah and Mr. Munjal Shah respectively as nominee of Paras Defence and Space Technologies Limited

14.3 Details of shares held by promoters in the Company

Particulars	As at 31st March, 2024		As at 31st March, 2023		% Change during the Year
	No. of shares	% of Holding	No. of shares	% of Holding	
Paras Defence & Space Technologies Limited (The Holding Company)	6,06,000	60%	6,06,000	60%	0%

14.4 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: 15 Other Equity

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2023
Retained Earnings Balance as per last Balance Sheet Add : (Loss) / Profit for the Year	1.09 (215.31)	(214.22)	(12.73) 13.82	1.09
Total		(214.22)		1.09

15.1 Nature And Purpose Of Reserves

Retained Earnings

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

Note: 16 Non Current Financial Liabilities - Borrowings

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured : Term Loan From a Bank	115.68	94.58
Total	115.68	94.58

16.1 The term loan from bank includes:

Term loan of Rs.109.04 Lakhs (31st March, 2023 : 94.58 lakhs) and Rs. 30.22 lakhs (31st March, 2023 : Rs. 20.53 Lakhs) included in current maturity of long Term Debts in Note No. 17 is secured by Hypothecation Charge on Property, Plant and Equipment of the Company and further secured by collateral security of Fixed Deposits and is guaranteed by Directors in their personal capacity. Out of the above Term loan of Rs. 44.18 Lakhs is repayable in 54 equal monthly instalments ending on 13th September 2028 carrying an interest rate @ 9.90% p.a, Term Loan of Rs.95.08 Lakhs is repayable in 45 equal monthly instalments ending on 31st December 2027 carrying an interest rate @ 9.90% p.a

16.2 Vehicle loan of Rs. 6.64 lakhs (31st March, 2023: Rs. Nil) and Rs. 1.71 lakhs (31st March, 2023: Rs. NIL) included in current maturity of long Term Debts in Note No. 17 is secured against lien on respective vehicle and is repayable in 51 Equal Monthly Instalment ending on 07th June 2028 carrying an interest rate @ 8.40 % p.a.

16.3 Maturity profile of Term Loan is as under:

(Amount in Lakhs)

Financial Year	Amount
2024-2025	31.93
2025-2026	35.21
2026-2027	38.82
2027-2028	35.14
2028-2029	6.51



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note: 17 Current Financial Liabilities - Borrowings

(Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured :		
Bank Overdraft (Refer Note 17.1)	479.31	494.42
Working Capital Rupee Loans from Banks (Refer Note 17.1)	1,576.58	227.50
Current Maturities of long term Debt	31.93	20.53
Unsecured		
Inter Corporate Deposit from Holding Company (Refer Note 17.2 and 30)	1,798.50	-
Total	3,886.32	742.45

17.1 Rs. 2,055.88 Lakhs (31st March 2023: Rs. 721.92 Lakhs) is secured by all existing and future current assets of the Company and Movable Fixed Assets situated at Navi Mumbai and further secured by lien on Fixed Deposits and are guaranteed by directors in their personal capacity. The above loans carries interest rate @ MCLR+/- 0.65 and PLR-6.60%.

17.2 Inter Corporate Deposit from holding Company is repayable on or before 31st March, 2025, carries interest rate of 12% p.a and is taken for Working Capital Requirement.

Note: 18 Trade Payables

(Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Micro, Small and Medium Enterprises	129.83	4.19
Others	73.53	74.84
Total	203.36	79.03

18.1. 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, 2024	As at 31st March, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	129.83	4.19
(ii) Interest due there on remaining unpaid to any supplier as at the end of the accounting year	3.67	0.08
(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	3.67	0.08
(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	-	-

18.2 Trade Payables Ageing Schedules as at 31st March, 2024 and as at 31st March 2023 is as follows:

(Amount in Lakhs)						
As at 31st March, 2024						
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	4.11	125.72	-	-	-	129.83
Others	-	66.86	6.67	-	-	73.53
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	4.11	192.58	6.67	-	-	203.36
As at 31st March, 2023						
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	0.16	4.03	-	-	-	4.19
Others	-	74.84	-	-	-	74.84
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	0.16	78.87	-	-	-	79.03

Note: 19 Other Current Financial Liabilities

(Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest Accrued and due	3.67	0.08
Interest Accrued but not due	51.42	-
Rent Payable to Related Party (Refer Note No. 30)	5.24	-
Commission on Corporate Guarantee Fees Payable to Related Party (Refer Note No.30)	13.74	-
Other payables*	4.55	18.27
Total	78.62	18.35

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

Note: 20 Other Current Liabilities

(Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance From Customers	19.53	0.13
Statutory Liabilities	20.58	2.82
Total	40.11	2.95



PARAS AEROSPACE 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 31st March, 2024	For the Year ended 31st March, 2023
Sales of Products	1,569.32	636.00
Sale of Service/ Software	121.18	4.54
Total	1,690.50	640.54

21.1. Revenue disaggregation by geography is as follows:

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
India	1,690.50	640.54
Outside India	-	-
Total	1,690.50	640.54

21.2. Reconciliation of Revenue from Operations with Contract Price:

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Contract Price	1,690.50	640.54
Total	1,690.50	640.54

Note 22 : Other Income

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Dividend Income from Non-Current Investment	0.02	-
Interest Income from Financial assets measured at amortised cost-		
- On fixed Deposits with Banks	19.98	6.08
Liabilities Written back (Net)	0.92	0.30
Miscellaneous Income	-	0.00
Total	20.92	6.38



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note 23 : Changes In Inventories of Work-In-Progress , Finished Goods & Stock In Trade

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Closing Inventories:		
Finished Goods	397.66	-
Finished Goods in Transit	108.64	-
Stock in Trade	173.14	-
Stock in Trade in Transit	74.41	-
Work In Progress	77.11	129.46
	830.96	129.46
Opening Inventories:		
Work In Progress	129.46	19.03
	129.46	19.03
Increase in Inventories	(701.50)	(110.43)

Note 24: Employee Benefit Expenses

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Salaries, Wages & Allowances	129.51	123.99
Contribution to Provident and Other Funds	0.82	0.50
Welfare and Other Amenities	1.03	1.58
Total	131.36	126.07

Note 25 : Finance Costs

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Interest Expenses on Financial Liabilities measured at amortised cost	181.53	41.80
Other Borrowing Cost (Refer note no.: 25.1)	22.63	8.28
Total	204.16	50.08

25.1 Above includes Interest of Rs. 0.46 Lakhs (31st March, 2023: Rs. Nil) on late payment of Advance Tax.

Note 26 : Depreciation

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	74.74	40.03
Amortization of Intangible Assets (Refer Note No. 3)	1.19	1.07
Total	75.93	41.10



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note 27 : Other Expenses

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
MANUFACTURING EXPENSES		
Consumables, Stores and Spares Consumed	7.05	5.04
Job Processing charges	4.98	0.42
Drone Pilot Training Services	129.03	-
Other Manufacturing Expenses	3.99	5.41
	145.05	10.87
SELLING AND DISTRIBUTION EXPENSES		
Exhibition Expenses	4.63	27.20
Advertisement and Business Promotion	74.64	66.62
	79.27	93.82
ADMINISTRATIVE EXPENSES		
Insurance	0.10	0.26
Rent	13.85	11.97
Rates and Taxes	0.82	2.62
Computer Expenses	8.64	0.25
Printing and Stationery	0.69	1.94
Travelling and Conveyance	17.26	12.85
Legal and Professional Charges	29.06	46.37
Fees and subscriptions	6.22	9.14
Payment to Auditor (Refer Note No. 27.1)	3.00	1.70
Provision for Doubtful Advances	5.40	-
Miscellaneous Expenses	2.77	4.17
	87.81	91.27
OTHER EXPENSES		
Bank Charges	1.14	6.08
Loss on Foreign Currency Fluctuations (Net)	0.60	1.40
Commission on Corporate Guarantee	13.74	-
	15.48	7.48
Total	327.61	203.44

Note 27.1: Break-up of Payment to Auditor :

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Payments to the auditor as:		
For Statutory Audit	2.00	1.00
For Limited Review	0.50	0.50
For Certification Charges	-	0.20
For Tax Audit	0.50	-
Total	3.00	1.70



PARAS AEROSPACE 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 31st March, 2024	For the Year ended 31st March, 2023
Basic Earnings Per Share		
(Loss)/Profit for the Year	(215.31)	13.82
Weighted average number of Equity Shares (Nos.)	10,10,000	10,10,000
Basic Earnings Per Share of Rs.10/- each	(21.32)	1.37
Diluted Earnings Per Share		
Amount available for calculation of Diluted EPS	(215.31)	13.82
Weighted average number of Equity Shares (Nos.)	10,10,000	10,10,000
Add : Potential number of Equity Shares (Nos.)	-	-
No. of shares used for calculation of Diluted EPS (Nos.)	10,10,000	10,10,000
Diluted Earnings Per Share of Rs.10/- each	(21.32)	1.37



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note 29 : Contingent Liabilities and Commitments

(Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Contingent Liabilities (to the extent not provided for)		
Claims against the Company not acknowledged as debts		
I. Guarantees		
Guarantees given by the Company's Bankers (Bank guarantees are provided under contractual / legal obligation)	17.01	5.39
Capital Commitments		
Estimated amount of contracts to be executed on capital account not provided for	-	17.09

Note 30 : Related Party Disclosure

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

A. List of Related Parties :

I. Holding Company

Paras Defence & Space Technologies Limited

II. Key Management Personnel Person having control & their Relative

Munjal Sharad Shah

Amit Navin Mahajan (w.e.f. 5th September, 2023)

Shilpa Amit Mahajan (w.e.f. 5th September, 2023)

Swati Sinha (till 5th September, 2023)

Pankaj Akula (till 5th September, 2023)

III. Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year

Defspace Technologies Private Limited

B. Transactions with Related Parties

(Amount in Lakhs)			
Nature of Transactions	Name of the Related Parties	2023-2024	2022-2023
Transactions with Holding Company:			
Lease Rent Expenses	Paras Defence and Space Technologies Limited	8.25	3.00
Commission on Corporate Guarantee		13.74	-
Purchase of Goods		-	30.33
Loan Taken		1,798.50	-
Interest on Loan taken		58.50	-
Advance From Customer		-	51.87
Advance Repaid		-	51.87
Corporate Guarantee Taken		2,748.00	-
Security Deposit given		0.75	-
Transactions with other Related Parties:			
Loans Taken from Director	Munjal Sharad Shah	17.50	60.65
Loans Repaid to Director		17.50	60.65
Loans Taken from Director	Amit Navi Mahajan	-	10.00
Loans Repaid to Director		-	10.00
Salary Paid to Directors having control and their relatives	Swati Sinha	7.00	9.00
	Pankaj Akula	17.50	21.00
Purchase of Goods	Defspace Technologies Private Limited	541.85	-

C. Balances with Related Parties

(Amount in Lakhs)		
Name of the Related Parties:	As at 31st March, 2024	As at 31st March, 2023
Balances with Holding Company:		
Intercompany Deposit Taken	1,798.50	-
Corporate guarantee taken	2,748.00	-
Other Current Financial Liabilities		
Rent Payable	5.24	-
Interest accrued but not due	47.41	-
Commission on Corporate Guarantee Payable	13.74	-
Security Deposit given	0.75	-
Balance with other Related Parties:		
Salary Payable to directors		
Swati Sinha	-	0.70
Pankaj Akula	-	2.03
Trade Payable		
Defspace Technologies Private Limited	4.10	-
Advance to Supplier:		
Defspace Technologies Private Limited	527.08	-



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note 31: Fair Values

31.1 Financial Instruments by category:

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the Financial Statements.

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

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial Assets designated at Fair Value through profit and loss:-		
- Investments	3.46	2.01

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

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Trade Receivable	1,591.28	1,591.28	437.01	437.01
Cash & Cash equivalents	2.39	2.39	1.76	1.76
Bank Balance other than Cash and Cash Equivalents	119.21	119.21	164.01	164.01
Other Financial Assets	451.86	451.86	3.16	3.16
Total	2,164.74	2,164.74	605.94	605.94
Financial Liabilities				
Borrowings	4,002.00	4,002.00	837.03	837.03
Trade Payables	203.36	203.36	79.03	79.03
Other Financial Liabilities	78.62	78.62	18.35	18.35
Total	4,283.98	4,283.98	934.41	934.41

31.2 Fair Valuation techniques used to determine Fair Value

The Company maintains procedures to value its financial assets or financial liabilities using the best and most relevant data available. The Fair Values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the Fair Values:

- Fair Value of Cash and Cash Equivalents, Other Bank Balances, Trade Receivable, Trade Payables, Current Borrowings and other Current Financial Assets and Liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of Non-Current Borrowings and Margin money are approximate at their carrying amount due to interest bearing features of these instruments.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

31.3 Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

- Level 1** :- Quoted prices / published Net Assets Value (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the Balance Sheet date and financial instruments like mutual funds for which Net Assets Value is published by mutual fund operators at the Balance Sheet date.
- Level 2** :- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- Level 3** :- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 (Quoted prices in active markets), Level 2 (Significant observable inputs) and Level 3 (Significant unobservable inputs) as described below:

(Amount in Lakhs)

Particulars	As at 31st March, 2024		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments in Equity of Co-operative Bank	-	-	#3.46
Particulars	As at 31st March, 2023		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments in Equity of Co-operative Bank	-	-	#2.01

since the investments under level 3 of the fair value hierarchy as at 31st March, 2024 are not material, therefore the disclosure for the same is not given.



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note 32: Financial Risk Management - Objectives And Policies

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

32.1 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 two types of risks : foreign currency rate risk and interest rate risk. Financial Instruments affected by market risk include loans and borrowings, deposits, and Investments.

a) 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. The Company has foreign currency trade payables 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 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 Payable	USD	8,000	6.67

Unhedged Foreign currency exposure As at 31st March, 2023	Currency	Amount in FC	Amount in Lakhs
Trade Payable	USD	83,600	68.73

Foreign Currency Sensitivity

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

Particulars	2023-2024		2022-2023	
	2% increase	2% decrease	2% increase	2% decrease
USD	(0.13)	0.13	(1.37)	1.37
(Decrease)/ Increase in Profit Before Tax	(0.13)	0.13	(1.37)	1.37

b) Interest Rate Risk and Sensitivity :

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

The exposure of the Company's borrowings to interest rate changes at the end of the reporting year are as follows:

Interest Rate Risk Sensitivity :

Particulars	(Amount in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
Term Loan From Bank	139.26	115.11
Working Capital Facility	2,055.89	721.92
Closing Balances	2,195.15	837.03

The table below illustrates the impact of a 2% increase / decrease in interest rates on interest on financial liabilities assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	2023-2024		2022-2023	
	2% increase	2% decrease	2% increase	2% decrease
Term Loan From Banks and Financial Institutions	(2.79)	2.79	(2.30)	2.30
Working Capital Facility	(41.12)	41.12	(14.44)	14.44
(Decrease) / Increase in Profit Before Tax	(43.90)	43.90	(16.74)	16.74

32.2 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.

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	1,591.28	-	437.01	-

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.



PARAS AEROSPACE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

32.3 Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies short term borrowings in the form of working capital facility to meet its needs for funds. Company does not breach any covenants, where applicable on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirement.

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

As at 31st March, 2024

(Amount in Lakhs)

Particulars	On demand	Up to 1 year	1 to 5 Years	Total
Non Current Borrowings (including current maturities)	-	31.93	115.68	147.61
Current Borrowings	3,854.39	-	-	3,854.39
Trade Payables	-	203.36	-	203.36
Other Financial Liabilities	-	78.62	-	78.62
Total	3,854.39	313.91	115.68	4,283.98

As at 31st March, 2023

(Amount in Lakhs)

Particulars	On demand	Up to 1 year	1 to 5 Years	Total
Non Current Borrowings (including current maturities)	-	20.53	94.58	115.11
Current Borrowings	721.92	-	-	721.92
Trade Payables	-	79.03	-	79.03
Other Financial Liabilities	-	18.35	-	18.35
Total	721.92	117.91	94.58	934.41

Note 33: Capital Risk Management

For the purpose of the Company's capital management, capital includes issued capital, and other equity reserves attributable to the equity holders of the parent and net debt. The primary objective of the Company's capital management is to maximise the shareholder's value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by Total capital. 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.

Particulars	(Amount in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
Total Debt	4,002.00	837.03
Less: Cash and cash equivalent	2.39	1.76
Net Debt	3,999.61	835.27
Total Equity	(113.22)	102.09
Total Capital (Equity + Net Debts)	3,886.39	937.36
Gearing Ratio	102.91%	89.11%

Note : 34 Segment Reporting

The Company is predominantly in the business to provide products and services to aviation, aerospace and allied industries. Further the company specializes in aerial mapping, surveying and offer complete UAV integration and UAV based services and as such there are no separate reportable segments. The Company's operations are currently in India.

34.1 Revenue from operations Rs. 1445.89 Lakhs (31st March, 2023: Rs. 623.63 Lakhs) from 2 customers (31st March, 2023: 2 customers) having more than 10% of the Total revenue.

Note : 35 The quarterly statements of current assets filed by the Company with banks/ financial institutions are in agreement with the books of accounts.

Summary of reconciliation of quarterly statements of current assets filed by the Company with Banks are as below :-

(Amount in Lakhs)

Particulars of Securities provided	For the quarter ended	Amount as per books of account	Amount as reported in the Statement	Amount of difference
Inventories & Trade Receivables	31st March, 2024	2,436.00	2,436.00	-
Inventories & Trade Receivables	31st December, 2023	776.31	776.31	-
Inventories & Trade Receivables	30th September, 2023	761.79	761.79	-
Inventories & Trade Receivables	30th June, 2023	725.18	725.18	-
Inventories & Trade Receivables	31st March, 2023	61,977.23	61,977.23	-
Inventories & Trade Receivables	31st December, 2022	26,495.12	26,495.12	-
Inventories & Trade Receivables*	30th September, 2022	NA	NA	NA
Inventories & Trade Receivables*	30th June, 2022	NA	NA	NA

* No sanction limit during the period



PARAS AEROSPACE PRIVATE LIMITED NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024 NOTE : 36 Ratio Analysis and its Components						
Ratios	Numerator	Denominator	FY 2023-2024	FY 2022-2023	Variance %	Reason for Material Variance
1. Current Ratio	Current Assets	Current Liabilities	0.86	1.05	-18.32%	
2. Debt-Equity Ratio	Total Debt	Total Equity (Equity Share capital + Other equity)	(35.35)	8.20	-531.06%	Mainly due to the increase in current borrowings during the year and a decrease in shareholders' equity on account of loss 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	0.31	1.91	-83.76%	Mainly on account of decrease in earnings available for debt service of the Company
4. Return on Equity (ROE)	Net (loss)/ profit after tax	Average Total Equity [(Opening Total Equity + Closing Total Equity)/2]	-3869.00%	14.52%	-26746.02%	Mainly due to net loss during the current year
5. Inventory Turnover Ratio	Revenue from Operations	Average Inventory [(opening balance+ closing balance)/2]	3.29	6.26	-47.44%	Mainly due to an increase in Inventory during the year.
6. Trade Receivables Turnover Ratio	Revenue from Operations	Average trade receivable [(opening balance+ closing balance)/2]	1.67	2.40	-30.54%	Mainly due to an increase in Trade Receivables and Revenue from operations during the year.
7. Trade Payables Turnover Ratio	Cost of Materials Consumed	Average trade payable [(Opening balance + closing balance) /2]	13.34	7.89	69.13%	Mainly due to increase in Trade Payable and Purchases during the year.
8. Net Capital Turnover Ratio	Revenue from Operations	Working capital [(Current asset - Investments) - current liabilities]	(2.82)	15.16	-118.61%	Mainly on account of negative working capital and increase in Revenue from Operations during the year
9. Net Profit Ratio	Net (loss)/ Profit after tax	Revenue from Operations	-12.74%	2.16%	-689.65%	Mainly on account of net loss during the year
10. Return on capital employed (ROCE)	(Loss)/ Profit Before interest & Tax	Total Equity + Total Debts + Deferred Tax Liability	-0.16%	6.78%	-102.34%	Mainly on account of loss before interests and taxes
11. Return on Investment (ROI)	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	3.50%	3.66%	-4.25%	



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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note 37: Other Statutory Information

37.1 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.

37.2 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

37.3 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.

37.4 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.

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

37.6 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.

37.7 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 (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.

37.8 There is no charge or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

Note : 38

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. Shah

Rupesh Shah

Partner

Membership No. 117964

For and on behalf of Board of Directors

Munjal Shah

Munjal Shah
Director
DIN: 01080863



Amit Mahajan

Amit Mahajan
Director
DIN: 01087400

Date: 23rd May, 2024

