
DIRECTOR'S REPORT

BOARD'S REPORT

Dear Shareholder's,

The Directors of your Company are pleased to present 01st Annual Report together with the audited Financial Statement for the financial year ended on 31st March 2020.

1. Financial Result:

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

Particulars	Amount in Rs.
	For F.Y. ended 31st March, 2020
Revenue from Operations	-
Other Income	949
Less: Expenditure	18,95,891
Profit / (Loss) before tax	(18,94,942)
Less: Provision of Income tax including deferred tax	-
Profit/(Loss) after tax	(18,94,942)
Other Comprehensive Income	-
Total Comprehensive Income for the year	(18,94,942)

2. State of Companies Affairs/Financial Performance:

The Company was incorporated on 13th February, 2019 under the jurisdiction of Registrar of Companies, Mumbai Maharashtra. The main object for which the company incorporated was to offer a wide range of UAV Integrations and UAV based services in the domain of Aerial Mapping & Surveying. Paras Aerospace has a team of qualified personnels with expertise in Visual, Thermal mapping/inspection, Multispectral Mapping and LIDAR. It is proposed to offer end to end solutions across various domians including but not limited to Highway Mapping, Urban Mapping, Stockpile Calculations, Construction Monitoring and BIM, Slope Stability (Airport, Dams, Railway Tunnels), Energy (Powerline Infrastructure, Solar & Wind), Forestry, Plant Inspection (Power Plant, Oil and Gas). The team at Paras Aerospace also has deep technical understanding and Implementation expertise of varied Geological Applications using drones.

Looking at the future business avenues, the Company has shifted its registered office from the state of Maharashtra to the state of Karnataka to increase its business avenues and which has shown immediate results and the Company has bagged two tenders in the month of February & March 2020 from CSIR – NAL (National Aerospace Laboratories) aggregating to Rs. 40.96 lakhs, which will be executed in 2020-21. The management is also aiming to develop solutions for NPNT in India, which promises to bring in a revolution in UAV markets.

The Company is working on unique model which is going to create revolution in drone industry across the country, wherein Paras Aerospace will become one stop solution in the area of all types of drones services in the country. As per the expectation and estimation of the management, this model will bring entire drone fraternity on one platform and will cater to all the needs of the country.

Further, the company will start seeing revenues and profitability from 2020-21 onwards and is promising to grow in multiple times year on year for the future years.

As the Company was in the first year of incorporation, there was NIL revenue generated from its operations. However, the management is assured of generating a revenues and increasing the stakeholder's interest in coming future and all efforts are being taken to ensure that our commitments are successful.

3. Dividend:

The Board of Directors has not recommended any dividend on the equity shares for the financial year under review.

4. Transfer to Reserves:

The Company has not transferred any amount to General Reserve during the financial year under review.

5. Change in Capital Structure of the Company:

A. Authorized Share Capital –

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

B. Issued and Subscribed Share Capital-

During the year under review there was no change in the issued and subscribed capital of the Company.

6. Bonus Shares/ Equity Shares with differential voting rights/ESOP

During the year under review, the Company has not issued any equity shares with differential voting rights nor has granted any stock options or sweat equity or bonus issue. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

7. Details of Subsidiary/Joint Ventures/Associate Companies

The Company is the Wholly Owned Subsidiary of Paras Defence and Space Technologies Limited. During the year under review, your Company did not have any subsidiary, associate and joint venture company.

8. Deposits

During the year under review, your Company has not accepted any deposits within the meaning of section 73 & 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

9. Particulars of Loans, Guarantees or Investments

During the year under review there are no Loans, Guarantees or Investments as under section 186 of the Companies Act 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014.

10. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

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

11. Directors:

Appointment of Mrs. Shilpa Amit Mahajan (DIN: 01087912) as Additional Director of the Company:

In compliance with the provisions of Sections 152 and 161 read with Companies (Appointment and Qualification of Directors) Rules, 2014 Mrs. Shilpa Amit Mahajan (DIN: 01087912) who was appointed as Additional Director on the Board of Directors of your Company at the Board Meeting held on 25th February, 2019 and holds office as such up to the date of ensuing Annual General Meeting. The Board recommends regularization of Mrs. Shilpa Amit Mahajan as the Director of the Company at the ensuing Annual General Meeting.

As on 31st March, 2020 the Board comprises of the following:

Sr. No.	Name of the Director	DIN	Designation
1	Mr. Munjal Sharad Shah	01080863	Director
2	Mr. Amit Navin Mahajan	01087400	Director
3	Mrs. Shilpa Amit Mahajan	01087912	Additional Director

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

12. Independent Director:

The provisions of section 149(4) read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 of the Act for having an Independent Director on the Board of Directors does not apply to the Company. Consequently, the requirement under section 134(3)(d) of the Act with respect to furnishing a statement on declaration given by Independent Director(s) does not apply to the Company.

13. Key Managerial Personnel:

Your Company was not required to appoint any Key Managerial Personnel.

14. Company's Policy on Directors' Appointment, Remuneration etc:

The provisions of section 178 of the Act read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 stipulating having Audit Committee and Nomination & Remuneration Committee is not applicable to the Company.

15. Board Evaluation:

The provisions of section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014 for having formal self annual evaluation by the Board of Directors are not applicable to the Company.

16. Auditors:

a) Statutory Auditors:

M/s. Nitin Maru & Associates, Chartered Accountants (Firm Registration No.: 114022W) the first statutory Auditors of the Company relinquished from the position of the Statutory Auditors of the Company due to pre-occupation in the other matters effective from 02nd March, 2020.

The shareholders in their extra-ordinary general meeting held on 13th March, 2020 had on recommendation made by the Board of Directors approved appointment of M/s. Chaturvedi & Shah LLP , Chartered Accountants (FRN: 101720W / W100355) to fill the casual vacancy. M/s. Chaturvedi & Shah LLP , Chartered Accountants (FRN: 101720W / W100355) shall hold office till the ensuing Annual General Meeting and conduct audit for the period ended 31st March, 2020.

The Board recommends re-appointment of M/s. Chaturvedi & Shah LLP , Chartered Accountants (FRN: 101720W / W100355) for a term of 5 years on such terms and conditions and remuneration as may be mutually decided between the Statutory Auditors and the Board from time to time.

b) Cost Auditor:

The maintenance of cost records and cost audit provisions are not applicable to the Company.

b) Secretarial Auditors:

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

17. Explanation on any adverse remark and comment by the Auditors:

- a) No adverse remark and comments are given by the auditors of the Company. The Statutory Auditor has not reported any incident of fraud of the Company during the financial year ended March,2020.
- b) Provisions regarding secretarial audit are not applicable to the company and hence no report was issued for the same.

18. Extract of Annual return

Extract of Annual Return in form MGT-9 containing details as on the financial year ended 31st March 2020 as required under section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is annexed herewith as **Annexure II** Which forms part of this report.

19. Corporate Social Responsibility Committee:

The provisions of section 135 of the Act and rules made thereunder requiring having Corporate Social Responsibility Committee are not applicable to the Company.

20. Vigil Mechanism:

As per Section 177 (9) and (10), read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 of the Act the Company is not required to establish a vigil mechanism for Directors and employees.

21. Risk Management Policy:

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

22. Disclosure under the Sexual Harassment of women at a Workplace (Prevention, Prohibition and Redressal), Act 2013:

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

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

23. Compliance with Secretarial Standards:

The Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India.

24. Change in Nature of business:

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

25. Disclosure of orders passed by Regulators or Courts or Tribunal:

During the year under review there was no orders passed by any court or regulators or tribunal.

Except the Regional Director order no. RD/Section13/SRN H64039985 dated July 25, 2019 for approving the shifting of registered office of the Company from the State of Maharashtra to the State of Karnataka.

26. Meetings of the Board:

During the financial year ended March, 2020, the Board met 8 times i.e. on:

Dates of Board Meeting
25 th February, 2019
08 th April, 2019
08 th May, 2019

12 th July, 2019
01 st August, 2019
07 th September, 2019
23 rd December, 2019
07 th March, 2020

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

Details of the Board of Directors and Attendance Record of Directors during the financial year ended March 31, 2020 is as under:

Sr. No.	Name of Director	Number of meetings entitled to attend	Number of meetings attended
1	Mr. Munjal Sharad Shah	8	8
2	Mr. Amit Navin Mahajan	8	8
3	Mrs. Shilpa Amit Mahajan	7	7

27. Particulars of contracts or arrangements with related parties:

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts / arrangements / transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

The Disclosures as required under Indian Accounting Standard – 24 (Ind AS-24) "Related Party Disclosures" notified under Rule 7 of the Companies (Accounts) Rules, 2014 have been provided in Note No. 21 of the Notes forming part of the Financial Statements.

28. Material Changes and commitments, if any, affecting the financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements Relate and the date of Report:

There were no material changes happened which may affect the financial position of the Company.

29. Internal Financial control:

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Board reviews the internal control systems, the adequacy of internal audit function and significant internal audit findings with the management, Statutory Auditors.

30. Directors' Responsibility Statement:

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2020 and of the loss of the Company for that period;

(c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they had prepared the annual accounts on a going concern basis;

(e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. Appreciation and Acknowledgement:

Your Directors would like to express their appreciation for the assistance and co-operation received from the Banks, customers, business associates and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, employees, staff and workers of the Company.

**BY ORDER OF THE BOARD OF DIRECTORS OF
PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED**



**MUNJAL SHAH
DIRECTOR
DIN: 01080863**



**AMIT MAHAJAN
DIRECTOR
DIN: 01087400**



**Place: Navi Mumbai
Date: 14-09-2020**

Annexure I
Conservation of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

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

	Particulars	Remarks	
1.	Conservation of energy		
A	The steps taken or impact on Conservation of Energy	The company is utilizing electricity optimally. NIL	
i.	Process Optimization and automation		
ii.	Optimization of Electrical Equipment		
iii.	Lighting		
iv.	Other key initiative for energy conservation		
B.	The steps taken by the Company for utilizing alternate source of energy		
C.	The capital investment on energy conservation equipment		
2.	Technology Absorption		
a.	The efforts made by the Company towards technology absorption		Nil
b.	The benefits derived like product improvement, cost reduction, product development or import substitution		
C	In case of imported technology(imported during the last three years reckoned from the beginning of the Financial Year)		
d.	The expenditure incurred on Research and Development		

During the period under review the following is the foreign exchange inflow and outflow

Amount in Rs.

Particulars	For the Financial Year ended March, 2020
Foreign Exchange Earnings in terms of actual inflows	Nil
Foreign Exchange Outgo in terms of actual outflows	Nil

**BY ORDER OF THE BOARD OF DIRECTORS OF
PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED**


MUNJAL SHAH
DIRECTOR
DIN: 01080863


AMIT MAHAJAN
DIRECTOR
DIN: 01087400



Place: Navi Mumbai
Date: 14-09-2020

**Annexure II
FORM NO. MGT.9**

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS:

Particulars		
1	CIN	U74999KA2019PTC127669
2	Registration Date	13/02/2019
3	Name of the Company	Paras Aerospace Solutions Private Limited
4	Category/sub-category of the Company	Company Limited by Shares/Non Govt. Company
5	Address of the Registered Office and contact details	12, Sanjeevappa Layout, Nagavarapalya, C.V. Raman Nagar, Bangalore – 560093, Karnataka, India Email: aerospace@parasdefence.com Telephone No.: +91-9686775486
6	Whether Listed Company	No
7	Name, address and contact details of Registrar and Transfer Agent	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:- **Not Applicable**

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1			

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. N O	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Paras Defence and Space Technologies Limited	U29253MH2009PLC193352	Holding	100	2(46)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	--	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	--	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-		-	-	-	-	-	-	-
i) Indian	-	-	-	-	-				
ii) Overseas	-	-	-	-	-				
b) Individuals	-	-	-	-	-				
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-				
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-				

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):- Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10,000	10,000	100	-	10,000	10,000	100	-

***Note:** The Company is Wholly Owned Subsidiary of Paras Defence and Space Technologies Limited however to comply with the minimum requirement of two members as prescribed under Companies Act, 2013, Mr. Munjal S. Shah is holding 1(One) share on behalf of Paras Defence and Space Technologies Limited.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Paras Defence and Space Technologies Limited	9999	99.99	NIL	9999	99.99	-	NIL
2	Mr. Munjal Shah (On behalf of Paras Defence And Space Technologies Limited)	1	0.01	NIL	1	0.01	-	NIL
	Total	10000	100	NIL	10000	100	-	NIL

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Paras Defence and Space Technologies Limited				
	At the beginning of the year	9999	99.99	9999	99.99
	Date wise Increase/ Decrease	No Change	No Change	No Change	No Change
	At the End of the year	9999	99.99	9999	99.99
Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	Mr. Munjal Shah (On behalf of Paras Defence and Space Technologies Limited)	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	1	0.01	1	0.01
	Date wise Increase/ Decrease	No Change	No Change	No Change	No Change
	At the End of the year	1	0.01	1	0.01

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): **Not Applicable**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-
	At the End of the year	-	-	-	-

V. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	For Each of the Directors and KMP Mr. Munjal Sharad Shah (On behalf of Paras Defence and Space Technologies Limited)				
	At the beginning of the year	1	0.01	1	0.01
	Date wise Increase / Decrease in Shareholding	NIL			

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	during the year				
	At the End of the year	1	0.01	1	0.01

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2.	For Each of the Directors and KMP Mr. Amit Navin Mahajan				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	NIL			
	At the End of the year	-	-	-	-

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	For Each of the Directors and KMP Mrs. Shilpa Amit Mahajan				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	NIL			
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	NIL	NIL	NIL
Changes during the financial year				
Addition	NIL	30,39,127	NIL	30,39,127
Deletion	NIL	2,83,026	NIL	2,83,026
Net Changes	NIL	27,56,101	NIL	27,56,101
Indebtedness at the end of the financial year				
i) Principal amount	NIL	27,40,000	NIL	27,40,000

ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	16,101	NIL	16,101
Total (i + ii + iii)	NIL	27,56,101	NIL	27,56,101

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	NAME OF THE DIRECTORS			Total Amount
		Mr. Munjal Shah	Mr. Amit Mahajan	Mrs. Shilpa Mahajan	
1.	Gross Salary	NIL	NIL	NIL	NIL
(a)	Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	NIL	NIL	NIL	NIL
(b)	Value of perquisites under section 17(2) of Income Tax Act, 1961	NIL	NIL	NIL	NIL
(c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Options	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL
5.	Others, specify (if any)	NIL	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL	NIL

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors	Total Amount
Independent Directors		
Fee for attending Board/ Committee Meeting		
Commission		
Others, Please Specify		
Total		Not applicable
Others Non-Executive Directors fee for attending Board/Committee Meeting		
Commission		
Other, please Specify		

Total(2)	
Total Managerial Remuneration	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - others, specify...		-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

**BY ORDER OF THE BOARD OF DIRECTORS OF
PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED**


MUNJAL SHAH
DIRECTOR
DIN: 01080863


AMIT MAHAJAN
DIRECTOR
DIN: 01087400



Place: Navi Mumbai
Date: 14-09-2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED** ("the Company") which comprise the Balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss including other comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit 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.

Other Information

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

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 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.

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



Responsibilities of Management and Those Charged with Governance for the 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, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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 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 Cash Flow Statement 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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".



- g. With respect to the other matters to be included in the Auditor's Report in accordance with 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:
- The Company does not have any pending litigations which would impact its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of CARO 2016.

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



R. Koria
Partner
Membership No. 35629
UDIN No.: 20035629AAAAHF2797



Place: Mumbai
Dated: September 14, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on Financial Statements of PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED for the period ended March 31, 2020)

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

We have audited the internal financial controls over financial reporting of **PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED** (the Company), as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)



provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

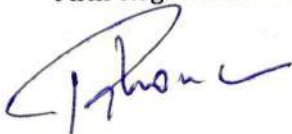
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



R. Koria
Partner
Membership No. 35629
UDIN No.: 20035629AAAAHF2797



Place: Mumbai
Dated: September 14, 2020

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

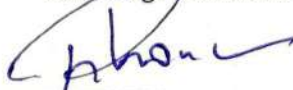
(Referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED ('the Company') on the Financial Statements for the period ended March 31, 2020)

- i. In respect of its Fixed Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the Company has physically verified all the fixed assets. No material discrepancies were noticed on such physical verification as compared with the available records.
 - c. According to the information and explanations given to us, the Company does not have immovable property; hence the provisions of paragraph 3(i)(c) of the CARO 2016 are not applicable to the company.
- ii. According to the information and explanation given to us, the company does not have any inventory as on March 31, 2020. Therefore the provisions of paragraph 3(ii) of the CARO 2016 are not applicable to the Company.
- iii. In our opinion and according to the information and explanation given to us, during the period, the Company has not granted any loans, secured or unsecured to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore the provisions of paragraph 3(iii) of the CARO 2016 are not applicable to the Company.
- iv. According to the information and explanations given to us, during the period, the Company has not entered any transaction in respect of loans, investments, guarantees and security covered under section 185 and 186 of the Act. Therefore the provisions of paragraph 3(iv) of the CARO 2016 are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of paragraph 3 (v) of the CARO 2016 are not applicable to the Company.
- vi. The Central Government has not prescribed the Cost Records to be maintained under sub-Section (1) of Section 148 of the Act in respect of the activities carried on by the Company. Therefore the provisions of paragraph 3 (vi) of the CARO 2016 are not applicable to the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - a. During the period the company has no liability in respect of provident fund, duty of customs, cess, goods and service tax and any other statutory dues with the appropriate authorities, however delays have been noticed in the payment of TDS to the credit of income tax authority. 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, 2020 for a period of more than six months from the date they became payable.
 - b. There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax which have not been deposited with the appropriate authorities on account of any dispute.



- viii. Based on our audit procedures and information and explanations given by the Management, the company has not raised any loans or borrowings from financial institutions, bank or government or through debenture issue during the period. Therefore, the provisions of paragraph 3 (viii) of the CARO 2016 are not applicable to the Company.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan. Therefore, the provisions of paragraph 3 (ix) of the CARO 2016 are not applicable to the Company.
- x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and on the basis of information and explanations given by the management, no fraud has been noticed or reported on the Company by its officers or employees during the period.
- xi. According to the information and explanations given to us, during the period, the Company has not paid or provided any managerial remuneration under section 197 read with Schedule V to the Act. Therefore, the provisions of paragraph 3 (xi) of the CARO 2016 are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of paragraph 3 (xii) of the CARO 2016 are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any Preferential Allotment or Private Placement of shares or fully or partly convertible debentures during the period. Therefore, the provisions of paragraph 3 (xiv) of the CARO 2016 are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of paragraph 3 (xv) of the CARO 2016 are not applicable to the Company.
- xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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



R. KORLA
Partner
Membership No. 35629
UDIN No.: 20035629AAAAHF2797



Place: Mumbai
Date: September 14, 2020

PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
BALANCE SHEET AS AT 31st MARCH, 2020

(Amount in Rupees)

PARTICULARS	Note No.	As at 31st March, 2020
I ASSETS		
Non Current Assets		
a. Property, Plant and Equipment	2	35,172
b. Financial Assets		
i Other Financial Assets	3	4,10,000
c. Other Non Current Assets	4	2,50,000
Current Assets		
a. Financial Assets		
i Cash and Cash Equivalents	5	2,72,433
ii Other Financial assets	6	90,949
b. Other Current Assets	7	1,25,013
TOTAL ASSETS		11,83,567
II EQUITY AND LIABILITIES		
Equity		
a. Equity Share Capital	8	1,00,000
b. Other Equity	9	(18,94,942)
		(17,94,942)
Liabilities		
Current Liabilities		
a. Financial Liabilities		
i Borrowings	10	27,40,000
ii Other Financial Liabilities	11	2,28,009
b. Other Current Liabilities	12	10,500
		29,78,509
TOTAL EQUITY AND LIABILITIES		11,83,567
Significant accounting policies and notes to the financial statements	1 to 26	

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. KORIA
 Partner
 Membership No. 3562

Place: Mumbai
 Date: 14th September 2020



MUNJAL SHAH
 Director
 DIN: 01080863

AMIT MAHAJAN
 Director
 DIN: 01087400

PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL PERIOD ENDED 31ST MARCH, 2020

		(Amount in Rupees)	
	PARTICULARS	Note No.	For the Financial Period ended 31st March, 2020
1	Other Income		
2	Total Income	13	949
			949
3	Expenses		
	Depreciation		
	Employee Benefits Expense	14	3,792
	Finance Costs	15	7,96,866
	Other Expenses	16	18,036
	Total Expenses	17	10,77,197
			18,95,891
4	Loss Before Exceptional Items and Tax (2-3)		
5	Exceptional Items		(18,94,942)
6	Loss Before Tax (4-5)		-
7	Tax Expenses :		(18,94,942)
(a)	Current Tax		-
(b)	Deferred Tax		-
8	Loss for the Financial Period (6-7)		-
			(18,94,942)
9	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 Financial Period (8-9)		(18,94,942)
10	Earnings per Equity Share of Rs. 10/- each		
	Basic	18	(189)
	Diluted		(189)
	Significant accounting policies and notes to the financial	1 to 26	

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. Korla

R. KORLA
 Partner
 Membership No. 35629



Place: Mumbai
 Date: 14th September 2020



Munjal Shah

MUNJAL SHAH
 Director
 DIN: 01080863

Amit Mahajan

AMIT MAHAJAN
 Director
 DIN: 01087400

PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31ST MARCH, 2020

A. EQUITY SHARE CAPITAL

PARTICULARS	Balance as at 13th February, 2019*	Issued during the Financial Period	(Amount in Rupees) Balance as at 31st March, 2020
Equity Share Capital	-	1,00,000	1,00,000
* Date of incorporation of the Company			

B. OTHER EQUITY

PARTICULARS	Reserves and Surplus	Item of Other Comprehensive Income	(Amount in Rupees) Total
	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance as at 13th February, 2019	-	-	-
Total Comprehensive Income for the financial period	(18,94,942)	-	(18,94,942)
Balance as at 31st March, 2020	(18,94,942)	-	(18,94,942)

As per our Report of even date

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



R. KORLA
 Partner
 Membership No. 35629

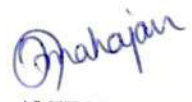


Place: Mumbai
 Date: 14th September 2020

For and on behalf of Board of Directors




MUNJAL SHAH
 Director
 DIN: 01080863



AMIT MAHAJAN
 Director
 DIN: 01087400

PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31ST MARCH, 2020

PARTICULARS	(Amount in Rupees)
	For the Financial Period ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES	
Loss before tax as per the Statement of Profit and Loss	(18,94,942)
ADJUSTMENT FOR:	
Depreciation	3,792
Finance Costs	18,036
Interest Income	(949)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(18,74,063)
ADJUSTMENT FOR:	
Other Receivables	(4,65,962)
Trade and Other Payables	2,22,408
CASH USED IN OPERATIONS	(21,17,617)
Income tax paid (net of refunds)	-
NET CASH USED IN OPERATING ACTIVITIES (A)	(21,17,617)
B CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	-
Interest Income	(38,964)
NET CASH USED IN INVESTING ACTIVITIES (B)	949
	(38,015)
C CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of Equity Share Capital	1,00,000
Finance Costs	(1,935)
Current Borrowings	27,40,000
Margin Money	(4,10,000)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	24,28,065
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	2,72,433
Cash and Cash Equivalents (Opening Balance)	-
Cash and Cash Equivalents (Closing Balance) (Refer Note No. 5.1)	2,72,433

Notes :

1 Bracket indicates cash outflow.

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

Particulars	31.03.2020
Opening balance of liabilities arising from financing activities	-
Add : Changes from Cash Flow from Financing Activities (Net)	27,40,000
Closing balance of liabilities arising from financing activities	27,40,000

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

As per our Report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
(Firm Registration No. 101720W/W10035)

R. KORIA
Partner
Membership No. 3562

Place: Mumbai
Date: 14th September 2020

For and on behalf of Board of Directors

MUNJAL SHAH
Director
DIN: 01080863

AMIT MAHAJAN
Director
DIN: 01087400



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31st MARCH, 2020

1.1 Corporate Information

Paras Aerospace Solutions Private Limited (the 'Company') is a private limited Company domiciled and incorporated in India. The registered office of the Company is situated at 3rd Floor, F 302, Earthen Phoenix, Nagavarapalya Main Road, C.V. Raman Nagar, Bengaluru (Bangalore), Karnataka -560093

The Company is looking for the business as per the memorandum of association. The main object of the company is to offer a wide range of UAV Integrations and UAV based services in the domain of Aerial Mapping & Surveying.

As the Company was in the first year of incorporation and in the planning stage, there was NIL revenue generated from its operations. However, the management is striving its best effort to start the business operations in the coming years.

1.2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act'), read together with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

These financial statements are presented in Indian Rupees, which is the company's functional and presentation currency. It is the first financial statements of the Company and its first financial year starts from 13th February, 2019 (the incorporation date) and ends on 31st March, 2020 as per the Section 2(41) of the Act.

1.3 Significant Accounting policies

(A) Property, Plant and Equipment

Property, plant and equipment are carried at its cost, net of recoverable taxes, trade discounts and rebate less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing cost, non refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In case of Property, Plant and Equipment, the Company has availed as deemed cost on the date of transition i.e. 1st April, 2016.

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

Depreciation:

Depreciation on property, plant and equipment is provided using straight line method over the useful life of assets as prescribed under schedule II of Companies Act, 2013.

The asset's residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

(B) Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. All other borrowing costs are expensed in the period in which they occur.

(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 change in the non-cancellable period of a lease. The discount rate is generally base

(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) Financial Instruments:

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

Financial Assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Financial assets - Subsequent measurement

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

- a) Financial assets at fair value
- b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is **measured at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

a) **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

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

a) **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets - Derecognition

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

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

Impairment of Financial Assets

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

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

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

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

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



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31st MARCH, 2020

Financial Liabilities - Initial recognition and measurement:

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

Financial Liabilities - Subsequent measurement:

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

Financial Liabilities - Financial guarantee contracts:

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

Financial liability - Derecognition

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

(F) Fair Value:

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

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

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

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

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

(G) Revenue Recognition and Other Income:

Sales of goods and services:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

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

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.



(H) Foreign currency transactions and translation:

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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

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

(I) Lease:

On April 1, 2019, the Company adopted Ind AS 116 - Leases.

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

The Company as a lessee

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

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

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

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

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

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

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



The Company as a lessor

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

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

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

(J) Provisions, Contingent Liabilities and Contingent Assets:

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

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

(K) Cash and cash equivalents:

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

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

(L) Earnings per share:

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

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

(M) Current / Non-current classification:

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

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

(N) Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31st MARCH, 2020

1.4 Key accounting estimates and judgements

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

a) Provisions

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

b) Income Tax:

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



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
Notes to the Financial Statements for the financial period ended 31st March, 2020

NOTE : 2 PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

PARTICULARS	Office Equipment	Total
Additions	38,964	38,964
Disposals	-	-
As at 31st March, 2020	38,964	38,964
Depreciation		
Depreciation	3,792	3,792
Disposals	-	-
As at 31st March, 2020	3,792	3,792
Net Carrying Value		
As at 31st March, 2020	35,172	35,172



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
Notes to the Financial Statements for the financial period ended 31st March, 2020

NOTE 3 - OTHERS NON CURRENT FINANCIAL ASSETS

PARTICULARS	(Amount in Rupees)
	As at 31.03.2020
Fixed Deposits with Banks held as Margin Money	4,10,000
Total	4,10,000

NOTE 4 - OTHER NON CURRENT ASSETS

PARTICULARS	(Amount in Rupees)
	As at 31.03.2020
(Unsecured, Considered Good) Security Deposits	2,50,000
Total	2,50,000

NOTE 5 - CASH AND CASH EQUIVALENTS

PARTICULARS	(Amount in Rupees)
	As at 31.03.2020
Balances with Bank In Current Account	2,72,433
Total	2,72,433

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

PARTICULARS	(Amount in Rupees)
	As at 31.03.2020
Balances with Bank In Current Account	2,72,433
Total	2,72,433

NOTE 6 - OTHER FINANCIAL ASSETS

PARTICULARS	(Amount in Rupees)
	As at 31.03.2020
Interest Receivables	949
Security Deposit	90,000
Total	90,949



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
Notes to the Financial Statements for the financial period ended 31st March, 2020

NOTE 7 - OTHER CURRENT ASSETS

PARTICULARS	(Amount in Rupees)
	As at 31.03.2020
Balances with Revenue Authorities	1,25,013
Total	1,25,013

NOTE 8 - EQUITY SHARE CAPITAL

PARTICULARS	(Amount in Rupees)
	As at 31.03.2020
Authorised 10,000 Equity Shares of Rs. 10/- each	1,00,000
	-
	1,00,000
Issued, Subscribed and Paid up 10,000 Equity Shares of Rs. 10/- each	1,00,000
TOTAL	1,00,000

8.01 Reconciliation of the number of equity shares outstanding

Particulars	As at March 31, 2020	
	No. of Shares	Amount
Number of shares at the beginning of the financial period	-	-
Add: Shares issued during the financial period	10,000	1,00,000
Number of shares at the end of financial period	10,000	1,00,000

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

Name	As at 31st March, 2020	
	No. Of shares	% Holding
Paras Defence & Space Technologies Limited (The Holding Company) *	10,000	100%

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

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



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
Notes to the Financial Statements for the financial period ended 31st March, 2020

NOTE 9 - OTHER EQUITY

PARTICULARS	(Amount in Rupees)	
	As at 31.03.2020	As at 31.03.2020
Retained Earnings		
Balance as per last Balance Sheet	-	
Add :Loss for the financial period	(18,94,942)	(18,94,942)
TOTAL		(18,94,942)

NOTE NO. 9.1 NATURE AND PURPOSE OF RESERVES

Retained Earnings

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

NOTE 10 - CURRENT FIANCIAL LIABILITIES - BORROWINGS

PARTICULARS	(Amount in Rupees)	
	As at 31.03.2020	As at 31.03.2020
Unsecured		
Loans From Director (Refer note no. 20)	27,40,000	27,40,000
TOTAL		27,40,000

NOTE 11 OTHER FINANCIAL LIABILITIES

PARTICULARS	(Amount in Rupees)	
	As at 31.03.2020	
Interest Accured but not Due on Borrowings (Refer note no. 20)		16,101
Other payables*		2,11,908
TOTAL		2,28,009

* Other Payables mainly include payable to employees and audit fees provision

NOTE 12 OTHER CURRENT LIABILITIES

PARTICULARS	(Amount in Rupees)	
	As at 31.03.2020	
Statutory Liabilities		10,500
TOTAL		10,500



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
Notes to the Financial Statements for the financial period ended 31st March, 2020

NOTE 13 : OTHER INCOME

PARTICULARS	(Amount in Rupees)	
	For the Financial Period ended 31.03.2020	
Interest Income from Financial assets measured at amortised cost On fixed Deposits with Banks		949
TOTAL		949

NOTE 14 : DEPRECIATION AND AMORTISATION EXPENSE

PARTICULARS	(Amount in Rupees)	
	For the Financial Period ended 31.03.2020	
Depreciation of Property, Plant and Equipment (Refer Note No. 2)		3,792
TOTAL		3,792

NOTE 15 : EMPLOYEE BENEFITS EXPENSE

PARTICULARS	(Amount in Rupees)	
	For the Financial Period ended 31.03.2020	
Salaries, Wages & Allowances		7,59,075
Welfare and Other Amenities		37,791
TOTAL		7,96,866

NOTE 16 : FINANCE COSTS

PARTICULARS	(Amount in Rupees)	
	For the Financial Period ended 31.03.2020	
Interest Expenses		18,036
TOTAL		18,036



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
Notes to the Financial Statements for the financial period ended 31st March, 2020

NOTE 17 : OTHER EXPENSES

PARTICULARS	(Amount in Rupees)	
	For the Financial Period ended 31.03.2020	
Rent		4,40,000
Rates and Taxes		5,620
Printing and Stationery		24,586
Communication Expenses		1,794
Travelling and Conveyance		1,14,867
Legal and Professional Charges		14,210
Audit Fees (Refer Note no. 17.01)		50,000
Office Expenses		1,43,620
Miscellaneous Expenses		1,81,440
Advertisement and Business Promotion		50,241
Property Maintenance		40,900
Bank Charges		9,919
TOTAL		10,77,197

NOTE: 17.01 Break-up of Payment to Auditors :

PARTICULARS	(Amount in Rupees)	
	For the Financial Period ended 31.03.2020	
Payments to the auditor as:		
Audit Fees		50,000
TOTAL		50,000

NOTE : 18 EARNINGS PER SHARE

PARTICULARS	(Amount in Rupees)	
	For the Financial Period ended 31.03.2020	
Net Loss Attributable to Equity Shareholders for Basic EPS and Diluted EPS		(18,94,942)
Weighted Average Number of Equity Shares Outstanding During the period for Basic EPS and Diluted EPS (in Nos.)		10,000
Basic and Diluted Earning per share of Rs. 10 each		(189)
Face Value per Equity Share		10



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
Notes to the Financial Statements for the financial period ended 31st March, 2020

NOTE 19 : CONTINGENT LIABILITIES

PARTICULARS	(Amount in Rupees)
	As at 31st March, 2020
Contingent liabilities and commitments (to the extent not provided for)	
Claims against the company not acknowledged as debt	Nil
Guarantees	4,09,750
Other money for which the company is contingently liable	Nil

NOTE 20 : 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 periods, are as detailed below:

(a) List of Related Parties :

(As certified by the Management)

I. Holding Company

Paras defence & Space Technologies Limited (w.e.f. 13th February, 2019)

II. Key Management Personnel

Munjal Sharad Shah

Amit Navin Mahajan

Shilpa Amit Mahajan

(b) Related Party Transactions

Nature of Transactions	Name of the Related Parties	(Amount in Rupees)
		2019-2020
Transactions with Holding Company:		
Equity shares issued	Paras Defence and Space Technologies Ltd.	1,00,000
Loans Taken		2,83,026
Loans Repaid		2,83,026
Interest Accured but not Due on Borrowings		16,101
Transactions with other Related Parties:		
Loans Taken from Director	Munjal Sharad Shah	27,40,000

Name of the Related Parties	(Amount in Rupees)
	As at 31st March, 2020
B. Balances with Holding Company	
Equity Share Capital	
Paras Defence & Space Technologies Limited	1,00,000
Current-Borrowings - Loan from Holding Company	
Paras Defence & Space Technologies Limited	16,101
Balance with other Related Parties:	
Current-Borrowings - Loan from director	
Munjal Sharad Shah	27,40,000



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
Notes to the Financial Statements for the financial period ended 31st March, 2020

NOTE 21: DEFERRED TAX ASSETS

PARTICULARS	(Amount in Rupees)	
	As at 31.03.2020	
Deferred Tax Liabilities		
Related to Fixed Assets		
TOTAL		-
Deferred Tax Assets		
Related to Fixed Assets		(219)
TOTAL		(219)
Deferred Tax Assets		(219)

As at March 31, 2020, the Company has Net Deferred Tax Assets of Rs. 219/- . In the absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised, the same has not been recognised in the books of account in the line with the significant accounting policies referred in "Taxes on Income"

NOTE 22: FINANCIAL INSTRUMENTS

FAIR VALUE :-The carrying amounts of cash at bank, borrowings and other payables approximate their fair values and are carried at amortized cost.

PARTICULARS	(Amount in Rupees)	
	As at 31-03-2020	
	Carrying Value	Fair Value
Financial Assets		
Cash & Cash equivalents	2,72,433	2,72,433
Others	5,00,949	5,00,949
Total	7,73,382	7,73,382
Financial Liabilities		
Short Term Borrowings	27,40,000	27,40,000
Other Financial Liabilities	2,28,009	2,28,009
Total	29,68,009	29,68,009

NOTE 23 : FINANCIAL RISK MANAGEMENT

The company is exposed to credit risk and liquidity risk

(A) Credit Risk

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

Credit risk management

Cash and cash equivalents are not impaired. Bank balances are held with highly reputed banks.

(b) Liquidity Risk

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

Liquidity Risk Management

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

The table below illustrates the aged analysis of the company's financial liabilities.

March 31, 2020

PARTICULARS	(Amount in Rupees)			
	On demand	Up to 1 year	More than 1 year	Total
Liabilities				
Short Term Borrowings	27,40,000	-	-	27,40,000
Other Financial Liabilities	-	2,28,009	-	2,28,009
Total	27,40,000	2,28,009	-	29,68,009



PARAS AEROSPACE SOLUTIONS PRIVATE LIMITED
Notes to the Financial Statements for the financial period ended 31st March, 2020

NOTE 24 : CAPITAL RISK MANAGEMENT

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

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

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

Gearing Ratio

The gearing ratio at the period end was as follows :

PARTICULARS	(Amount in Rupees)	
	As at March 31, 2020	
Total Debt	27,40,000	
Less: Cash and cash equivalent	2,72,433	
Less: Fixed Deposits	4,10,000	
Net Debt	20,57,567	
Equity	(17,94,942)	
Total Capital (Equity + Net Debts)	2,62,625	
Net debt to equity ratio (times)	(1.15)	

NOTE 25: SEGMENT

There is no separate reportable segment hence information required under the IND AS 108 "Segment Reporting" is not given.

NOTE 26: The Management and authorities have the power to amend the Financial Statements in accordance with section 130 and 131 of the Companies Act, 2013.

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

R. Korla
R. KORIA
Partner
Membership No. 36579

Place: Mumbai
Date: 14th September, 2020



For and on behalf of Board of Directors

Munjil Shah

MUNJAL SHAH
Director
DIN: 01080863



Amit Mahajan
AMIT MAHAJAN
Director
DIN: 01087400