




# FUELED UP TO REACH NEWER HEIGHTS



ANNUAL REPORT 2019-20




# INDUSTRY INSIGHTS



The Defence industry of India is a strategically important sector for the country. It has domestic defence industry 80% of which is government owned which includes DRDO and its 50 labs, 4 defence shipyards, 5 defence PSUs and 41 ordnance factories etc. The new Defence Acquisition Procedure of 2020 (DAP 2020) which will govern the procurement of Defence Equipment from the Capital Budget has put immense focus on Indian Companies by promoting greater indigenous content in the arms and equipments for the military.

India domestically produces only 45% to 50% of defence products it uses, and the rest are imported. However the thrust on 'Make In India' and indigenous products has boosted the domestic defence industry. This is seen in the Indian Defence Exports which grew from ₹4,682 crore (US\$0.66 billion) in 2017–2018 to ₹10,500 crore (US\$1.47 billion) in 2018–2019 which is more than double.



In line with Govt. of India's initiative, DRDO has already taken multiple steps in the direction of reducing imports and becoming self-reliant Defence R&D & Production hub for the world.



# ACROSS THE PAGES

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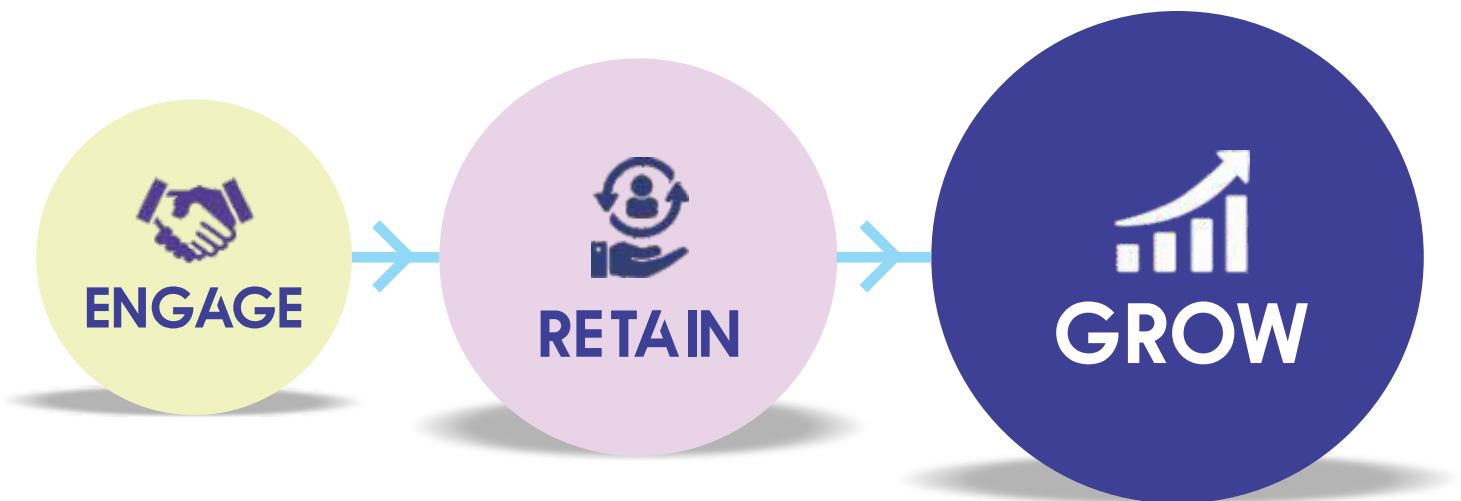




# BUSINESS VISION

We want to serve the Defence, Space & Aerospace Industry with value added products and solutions. With wide range of products, scalable resources and diversified business areas, we want to excel in every aspect of our business. We want to be a dependable entity to all of our stakeholders and keep increasing value for them every year.

Our Strategy Towards All Our Stakeholders;



We Make A Positive Difference To All The Stakeholders Of Our Business With Our Business Principles Which Are;



Serve Industry,  
by Humility



Provide Employment,  
with Professionalism



Grow Business,  
by Innovation



Be Profitable,  
by Optimisation



Operational Excellence,  
by Systems

# CHAIRMAN'S NOTE

Paras Defence & Space Technologies Ltd. (Paras) embarked on its journey to become one of the most significant Industry serving the Space Programs. FY19-20 was the year that defined the course of our company. It brought in some exciting partnerships and opened newer business avenues. With significant attention from Space Sector, Paras was given a task to bring in worlds cutting edge technologies for Space into India with emphasis on 'Make In India'. With the blessings of almighty, enthusiasm and perseverance of our team, we could cement some partnerships, which will stay with us for life.

With steady Defence business and growing Space business, we thought it would be right time to put some thrust on new technology businesses. We decided to invest our resources in the technologies related to UAV's (Unmanned Aerial Vehicles) and CubeSats. Both domains have potential to serve our existing Defence & Space Applications at the same time tap the opportunities for Home Land Security (HLS) and Communication Applications as well. Along with self development efforts, we have also secured strong partnerships in these areas which will strengthen our footprint in these new domains.

It gives me immense pleasure and satisfaction to see the company start as precision manufacturing company 40+ years ago, to now working on the most cutting-edge technologies in Defence and Space Industry.

There is no ONE giant step to Success, it takes many small steps to make it happen.

Lot has been done, and a lot is in the offing to achieve.

**SHARAD SHAH**  
Chairman



# PERFORMANCE HIGHLIGHTS FY 2019-2020

## DEVELOPED & DELIVERED

- Border Defence System, in collaboration with DRDO.
- India's biggest flow forming machine, 100% Made in India.

## READY FOR GROWTH

- Expansion of our manufacturing facilities to accommodate high business demands.
- Development of Hyper-Spectral Cameras for Defence and Space.

## CUSTOMER CENTRIC APPROACH

- Increased our geographical footprint to cater to multiple customer locations.

## TOGETHER FOR SUCCESS

- Partnered with Best in Business for Niche Technologies like Space Antennas, Carbon Fibre Structures for Space, Military Winch Systems etc.

## FINANCIAL HIGHLIGHTS

₹  
**146.57**  
CRORES  
REVENUE

₹  
**41.58**  
CRORES  
EBITDA

₹  
**19.97**  
CRORES  
PAT

\*All figures pertain to standalone financials

\*\*Earnings before interest, tax, depreciation and amortization

\*\*\* Profit after Tax

# MANAGING DIRECTOR'S NOTE

We hope that everyone is Safe & Healthy and sincerely wish for the well being of everyone.

I am glad to inform you that Covid-19 has had no or minimal effect on our Business and future prospects. Last year we saw the effect of a functional Make In India Policy adopted by the Govt. of India, which translated into possibly the best order booked ever at the end of the financial year. Govt. of India further introduced Atmanirbhar Bharat initiative, where they announced thrust on indigenous development and production and backed it with committed import embargo on 101 items that are required by the Defence Forces.

If last year was any indication, this year and the years to come, are going to be extremely glorious for the Defence Industry. With such increased business opportunities for indigenous companies, and embargo on imports, Govt. of India has increased the FDI through Automatic route in Defence from 49% to 74%. This will be the much needed incentive for the Foreign Companies to invest in India, bring cutting-edge technologies to the country and derive the benefits of business growth due to Make In India.

Paras Defence is well positioned to grow its business. On one hand it is showcasing its home-grown technologies through a DCP (Development Cum Production Partner) Route, which is increasingly being adopted by DRDO to secure business for their development partners, while on the other hand it is partnering with the best companies in the world to jointly develop and manufacture products and technologies in India.

With Govt. of India paving the way for Indian Defence Industry in terms of long term business availability, it's left upon the responsiveness of the Industry to make the most of such initiatives. We at Paras Defence are a young team, agile to adapt to new opportunities and experienced enough to selectively clinch on the opportunities which will secure the company's future.

We are adding high-end Products to our portfolio with a clear strategy to move from a purely customised solution provider to supplying turnkey cutting-edge Products like Drones, Anti-Drone System, CubeSats, Hyper-Spectral Cameras and more (while still continuing to provide customized solutions). Product Centric Business will offer us huge scalability and will unleash the true growth potential of the company.

We are excited with all the opportunities that are being offered to us. We assure all our Stakeholders that we will deliver to your expectations and continue the value creation in our business.

**Munjal Shah**  
Managing Director



# EXPANDING STEADILY. GROWING RESPONSIBLY.

**1973**

Establishment of High Precision Manufacturing Setup.

**1990**

Gaining popularity in Defence & Strategic Markets with its product quality and fast delivery capabilities.

**2000**

Adds cutting-edge Flow-forming to its capabilities and starts its journey to become one of the most popular company in Flow-forming.

**2003**

Significant contribution in India's successful attempt of indigenising Man-Portable Radar Systems. We were involved in production of over 800+ systems for which even today is the country's front line surveillance radar.

**2005**

- Becomes countries first company to develop Electro-Magnetic Shielded Door for Naval Ships, and went on to supply 200+ Non Water Tight Screen Doors for all the Naval Ships.
- Starts India's only Nano Technology based machining centre for producing Ultra Precision components.

**2008**

Starts its export footprint with Development & Supplies of Rugged Displays to Israel.

**2009**

- Realises the need for Corporate Governance, converts into a Limited Company.
- Add's Optics to it's product line with supplies to large size Telescope.



**2012**

We receive our first export order for Optics from Top Israeli Defence company.

**2014**

Bags a huge order for supplying complete Optics for TIFCS (Thermal Imaging Fire Control System) for Tank. This propelled us to India's most significant Optics manufacturing company.

**2015**

Bags an Order for 135 Nos. of Turnkey Electronic Control Systems (ECS) for Tank applications.

**2016**

Starts developing and manufacturing Optics for Space.

**2017**

Starts contribution in Electro-Magnetic Pulse (EMP) Protection Solutions and secures order for Developing & Manufacturing EMP Racks. Today Paras is the only company in India to manufacture EMP Racks and this product is also listed in the Import Embargo List released by Govt. of India in 2020.

**2018**

•Forays into Large Size Optics for Space.

•Adds High Performance Embedded Computing Capabilities.

•Starts Paras Aerospace to explore business in UAVs/Drone Technologies.

•Starts its 'Make In India' Vertical and starts securing Partnerships.

**2019**

• Bags order for Tactile Datalink for Naval and Avionic platforms.

• Develops Border Surveillance and Defence System in collaboration with DRDO.



# VALUE CREATION MODEL

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

## INPUT CAPITALS ▶



### INTELLECTUAL CAPITAL

- 80+ Engineers
- 2 Research centres



### FINANCIAL CAPITAL

- PPE\* : ₹155.79 Crores
- Networth\*\* : ₹172.99 Crores



### MANUFACTURING CAPITAL

- 2 Manufacturing Units



### NATURAL CAPITAL

- 64,500 Kwh Energy consumption



### HUMAN CAPITAL

- 350+ Employees



### SOCIAL & RELATIONSHIP CAPITAL

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

\*PPE : Property Plant and Equipment  
\*\*Networth pertain to Standalone Financials

## VALUE FOR OUR STAKEHOLDERS ▶

### VENDORS

- Better price
- Long term business assurance
- Timely payment

### EMPLOYEES

- Career opportunities
- Safe and healthy workplace
- Training programs

### CUSTOMERS

- Quality Product
- Value for money
- Innovative products
- Express Delivery

### PARTNERS/JV/ASSOCIATE

- Access to 'Make In India' opportunities
- Cost effective domestic manufacturing
- Scalability in manufacturing capabilities

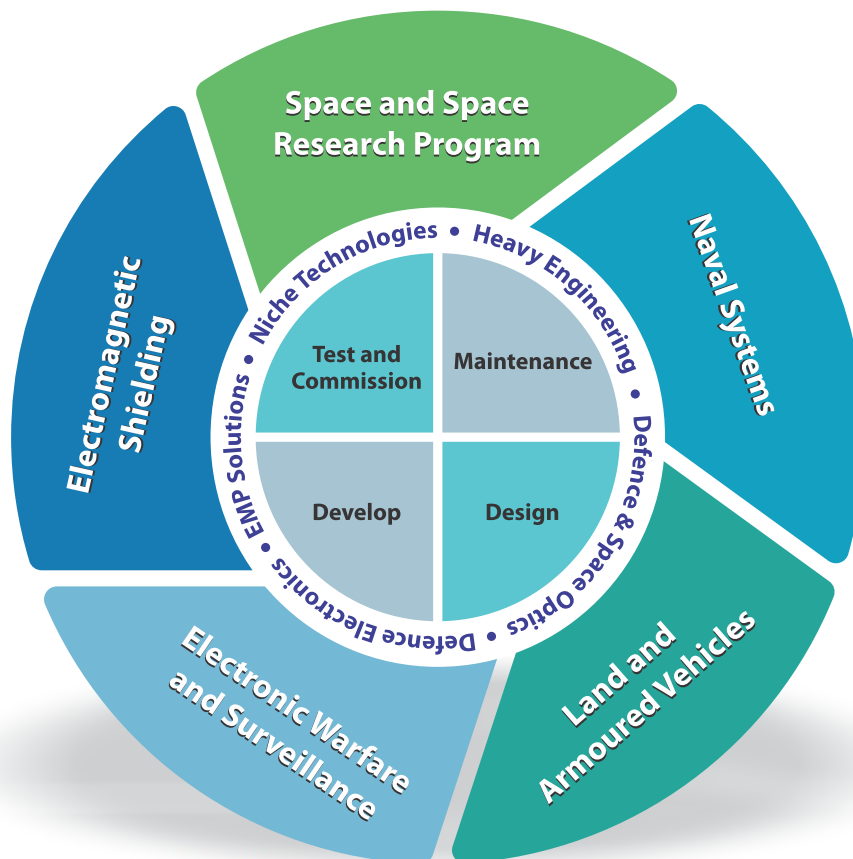
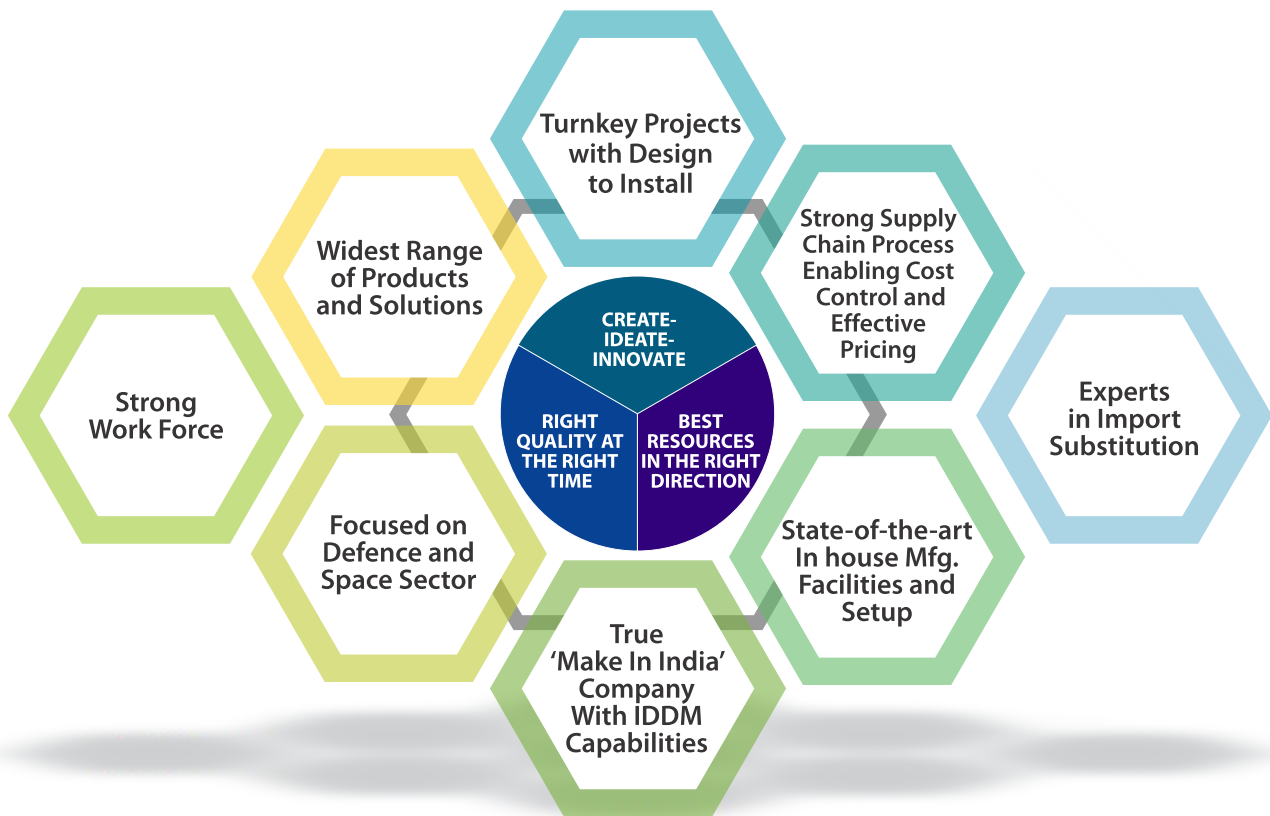
### GOVERNMENT

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

### COMMUNITY

- Employment opportunities
- Contribution to environment
- CSR Initiatives

# VALUE ENABLERS



# PRODUCTS BY APPLICATION

## ROCKET & MISSILE



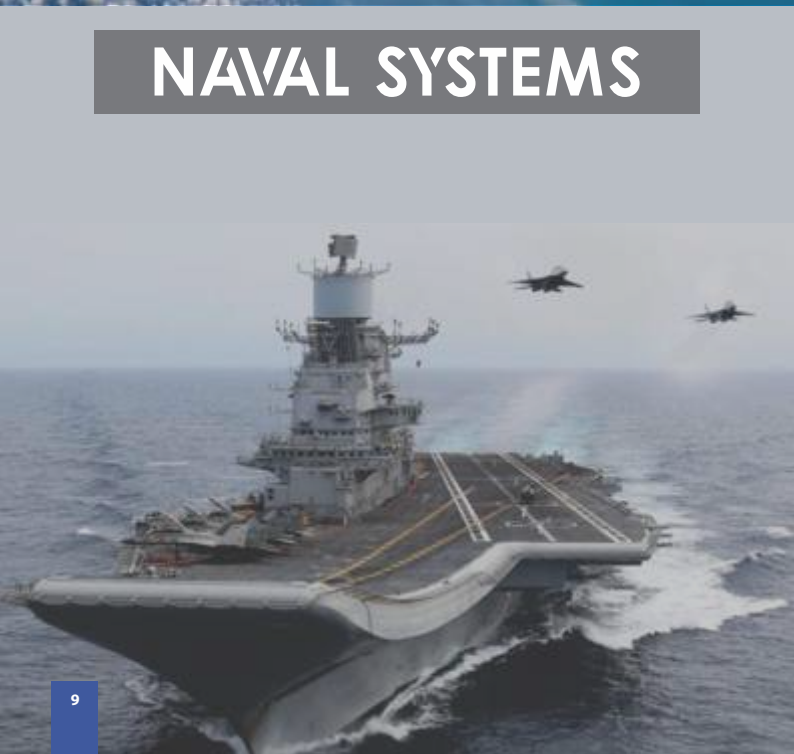
- Rugged Networking & Communication System
- Rugged Displays & Computing System
- Rugged Command & Control Systems
- Automated Test Equipment
- Avionic Suite
- Complete Mechanical Assemblies Including Flow Formed Tubes

## SPACE & SPACE RESEARCH



- Diffractive Gratings
- Zerodur Mirrors
- Optical Domes
- Gyro Blocks
- Multifold Lenses
- Reflectors & Coatings
- Metal Mirrors
- IR Lenses
- Ultra Precision Manufacturing
- Deployable Space Antenna
- CFRP Structures for Space Applications
- Lens Barrel

## NAVAL SYSTEMS



- Custom Built Rugged Wired Cabinets
- Shielded Doors & Honeycomb Air Vents / Filters
- Command & Control Consoles/Systems
- Rugged Displays & Computing Systems
- Naval Electronic Time Fuse
- Naval Charts & Other Software Modules
- Turnkey Indigo Simulator System
- Transducer Positioning System / Platform
- Submarine Winches
- Complex Titanium Assemblies
- Acoustic And Magnetic Sensing Products

# PRODUCTS BY APPLICATION

## LAND & ARMoured VEHICLES



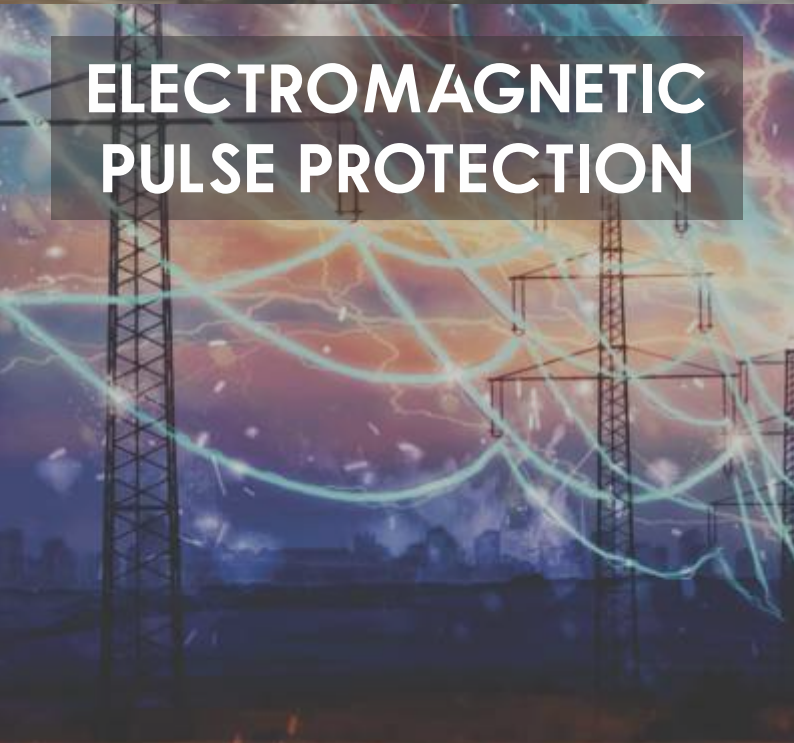
- Mil Grade Control Systems
- MIL Qualified Rugged Displays
- Command & Control Consoles / Systems
- High Performance Embedded Computing
- Import Substitution Sub-Systems
- Tank Imaging Components & Sub Assemblies
- Turret Stabilization System
- ARRV Winch Systems
- IR Lenses for Night Vision Thermal Imaging
- Rugged Tri-Pods & Quadri-Pods
- Red Dot Reflex Sight

## ELECTRONIC WARFARE & SURVEILLANCE



- Heavy Duty Antenna Mechanical Structures
- Mil Qualified Rugged TFT Displays
- Command & Control Consoles/Systems
- High Performance Embedded Computing
- Rugged COTS Systems
- Data/Video/Image Processing
- Software Development (Embedded/RTOS/FPGA)
- Complete System Integration
- Active Array Cooling Assemblies
- Rugged VME/VPX Platforms

## ELECTROMAGNETIC PULSE PROTECTION



- EMP Shielded Rooms and Control Centers
- EMP Protected Racks & Cabinets
- Shielded Doors
- EMP Filters
- Anechoic Shielded Chambers
- Turnkey EMP Projects
- EMP Hardened Products
- Shielded Air Vents & Windows



# WHAT MAKES PARAS ATTRACTIVE?

## **DIVERSIFIED PRODUCT PORTFOLIO**

Paras Defence & Space Technologies Ltd. Has a wide range of products and solutions for Defence & Space Applications. This ensures that our growth is sustainable and opens up multiple business avenues paving the way to long term business opportunities.

## **HERITAGE OF DEFENCE & SPACE PROGRAMS**

Paras has been involved in several prestigious Defence Programs and Space Missions and is recognised as one of the most dependable partners by our Customer. Paras is known for its Product Quality, Responsiveness to Customer requirements and untiring support to our customers in order to ensure that the Project is successful and the customer is satisfied.

## **TEAMWORK**

Paras has an impeccable blend of highly experienced stalwarts of the Defence industry in all domains and well supported by sharp and agile young minds making the matured concepts happen in very fast timelines with assured results.

## **CUSTOMER CENTRIC APPROACH**

Paras has always been a customer centric organisation. Today we ensure that we are always available for our customers, not just before the order is received, but even post sales. We have support teams placed at customer locations to ensure that customer is supported at all times without any delay. This approach has gained us immense goodwill amongst our customers and somehow translate into us being one of their most preferred partner for their future projects.

## **STRONG & STABLE FINANCIAL HEALTH**

Paras has always been a profitable company. Moreover, Paras has diverse business streams which ensure sound financial health of the company. Paras has a robust finance team supported by highly recognised Statutory and Internal Auditors. Paras believes in the concept 'Good Financial Health can help you take Good Business Decisions'.

## **PARTNERING WITH THE BEST IN BUSINESS**

Paras has been fortunate to have Partners who are the best in their respective domains. Paras has chosen to partner with such companies with a clear visibility of business opportunities which can be satisfied under the Make In India & Atmanirbhar Bharat Initiatives. These partnerships are aimed at offering our customers the World-Class Technology in the fastest time at the most cost effective pricing. This directly improves the self reliance of the country in Defence Technologies.

## **FUTURE READY**

Paras has always kept R&D as the core of its business. We believe that Research and Innovation are the most important pillars of growth and have been investing in R&D and Development by onboarding the best technical brains at Mumbai, Bangalore & Hyderabad locations.

# DEVELOPING PARTNERSHIPS



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



# GROWTH DRIVERS

## REFORMS IN DEFENCE & SPACE - ATMANIRBHAR BHARAT & MAKE IN INDIA

- Thrust on Indigenous Manufacturing.
- Increased Private Participation.
- Embargo on imported products.
- Sub - 200 Cr. tenders only for Indian Industry.

## INCREASED TRACTION IN DOMESTIC DEFENCE PROCUREMENTS

- Import programs being diverted to domestic industry.
- DCPD-Development cum Production Partnership route being adopted by DRDO's.
- Co-Development and Collaborative R&D partnerships between DPSU's and Industry.

## HUMAN ASSETS

- Paras is investing in Human Assets.
- Varied Technological Expertise at multiple locations.
- Open Management with Talent Recognition and Asset Development.

## NEW TECHNOLOGIES

- Thrust on Drone and Anti-Drone technologies and associated business.
- Partnerships; Co-developmnt in the area of CubeSats for varied applications.

## PRODUCT CENTRIC BUSINESS

- Hyperspectral Imaging Camera.
- Ultra Light Weight Cameras for UAV's.
- Knight Hawk - Remotely Controlled Border Defence System.
- Special Purpose Flow-Forming Machine.



# MANAGEMENT TEAM

## BOARD OF DIRECTORS



**MR. SHARAD SHAH**  
Chairman &  
Non Executive Director



**MR. MUNJAL SHAH**  
Managing Director



**MRS. SHILPA MAHAJAN**  
Whole Time Director

## INDEPENDENT DIRECTORS



**MR. SUNIL KUMAR SHARMA**  
Independent Director



**MR. MANMOHAN HANDA**  
Independent Director



**DR. HINA GOKHALE**  
Independent Director

## DIRECTORS



**MR. AMIT MAHAJAN**  
Director



**MR. HARSH BHANSALI**  
Director / CFO



**MR. ANISH MEHTA**  
Director

## SENIOR MANAGEMENT TEAM



**MR. KRISHNA MURTHY**

He is an expert Opto-Mechanical Designer of our country and is the Technical Head of our Optics Division.



**MR. BHARAT YELKUR**

He is an expert in Precision Manufacturing and is the Business Development Head of our Optics Division.



**MR. R. RAJAGOPALAN**

He is an expert in Defence Electronics and is the Business Head of our Defence Electronics Division.



**MR. N. SARAVANAN**

He is an expert in High Performance Embedded Computing and is the Technical Head of our Defence Electronics Division.



**MR. K NATARAJAN**

He is an expert in Software Development and is the Head of Software Development in the company.



**MR. GS RAVICHANDAR**

He is an expert in Naval Technologies and heads the Naval Business and Business related to EMP Protection and Make in India.



**MR. K PADMANABHAM**

He is an expert of Missile Technologies with a PhD. in MIL-1553 and sphere heads our Hyderabad Operations.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Sharad Virji Shah**

Chairman and Non-Executive Director

**Munjal Sharad Shah**

Managing Director

**Shilpa Amit Mahajan**

Whole Time Director

**Sunil Kumar Sharma**

Non-Executive Independent Director

**Manmohan Handa**

Non-Executive Independent Director

**Dr. Hina Gokhale**Non-Executive Independent Director  
(appointed w.e.f. April 1, 2020)

## STATUTORY AUDITOR

M/s. Chaturvedi &amp; Shah LLP

## COST AUDITOR

M/s. Dinesh Jain &amp; Company

## CHIEF FINANCIAL OFFICER

Harsh D. Bhansali (w.e.f. March 24, 2020)

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ajit K. Sharma

## BANKERS

Kotak Mahindra Bank Ltd.

NKGSB Co-operative Bank Ltd.

## REGISTERED OFFICE

D-112, TTC Industrial Area, MIDC,  
Nerul, Navi Mumbai – 400 706.

Tel. No. +91-98209 64964 / 98209 65965

Fax No. +91-22-6645 9636

E-mail: [business@parasdefence.com](mailto:business@parasdefence.com)Website: [www.parasdefence.com](http://www.parasdefence.com)

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

C 101, 247 Park, LBS Rd, Surya Nagar, Gandhi Nagar,  
Vikhroli West, Mumbai – 400 083.

Tel. No. +91-22-4918 6000

Fax No. +91-22-4918 6060

E-mail: [demat@linkintime.co.in](mailto:demat@linkintime.co.in)

## COMMITTEES OF BOARD

### Corporate Social Responsibility Committee

Munjal Shah Chairman

Shilpa Mahajan Member

Manmohan Handa Member

### Audit Committee

Manmohan Handa Chairman

Sunil Kumar Sharma Member

Munjal Shah Member

### Nomination and Remuneration Committee

Manmohan Handa Chairman

Sunil Kumar Sharma Member

Sharad Shah Member

### Sexual Harassment Committee

Shilpa Mahajan Presiding Officer

Ami Shah Member

Munjal Shah Member

Urvashi Dhall Member

### Stakeholder Relationship Committee

Sharad Shah Chairman

Munjal Shah Member

Manmohan Handa Member

## HEAVY ENGINEERING DIVISION

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

Tel. No. +91-251-2620 333 / 555

Fax No. +91-251-2621 222

## R&D CENTRE

No.1, 9<sup>th</sup> Cross, 9<sup>th</sup> Main, Malleshwaram,  
Bengaluru - 560003.

## NOTICE OF 11<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE 11<sup>TH</sup> ANNUAL GENERAL MEETING OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED WILL BE HELD ON TUESDAY, 17<sup>TH</sup> DAY OF NOVEMBER, 2020 AT 11.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT D-112, TTC INDUSTRIAL AREA, MIDC, NERUL, NAVI MUMBAI - 400706, TO TRANSACT THE FOLLOWING BUSINESS:**

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Standalone Financial Statements and Consolidated Financial Statements of the Company for the year ended as on 31<sup>st</sup> March, 2020 and Report of Board of Director's and Auditor's thereon;
2. To re-appoint a Director in place of Mrs. Shilpa Amit Mahajan (Din: 01087912) who retires by rotation and being eligible, offer herself for re-appointment.

### **SPECIAL BUSINESS:**

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), the remuneration payable to M/s. Dinesh Jain & Co., Cost Accountants having Firm Registration Number(FRN)100583, appointed by the Board of Directors in their Board Meeting held on 14<sup>th</sup> September, 2020 as Cost Auditors of the Company to conduct the cost audit for the Financial Year 2020-21, amounting to Rs. 90,000 (Rupees Ninety Thousand Only) per annum plus applicable Goods and Service Tax and out of pocket expenses that may be incurred be and is hereby ratified.

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

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

Sd/-

**SHARAD VIRJI SHAH**

Chairman and Director

DIN:00622001

DATE: 23<sup>rd</sup> October, 2020

PLACE: NAVI MUMBAI

NOTICE OF 11<sup>TH</sup> ANNUAL GENERAL MEETING (CONTD.)**NOTES:**

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

9. The route map indicating the direction to reach the venue of the Annual General Meeting is annexed.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO 3:****RATIFICATION OF REMUNERATION PAYABLE TO M/S. DINESH JAIN & CO., COST ACCOUNTANTS:**

The Board of Directors on the recommendation of Audit Committee at its Meeting held on 14<sup>th</sup> September, 2020, approved the appointment of M/s Dinesh Jain & Co., Cost Accountants having Firm Registration Number (FRN) 100583 as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending 31<sup>st</sup> March, 2021, at a remuneration of Rs.90,000/- (Rupees Ninety Thousand Only) (plus applicable Goods and Service Tax and reimbursement of out of pocket expenses).

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

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2021.

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

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

**BY ORDER OF THE BOARD OF DIRECTORS OF PARAS DEFENCE AND SPACETECHNOLOGIES LIMITED**

Sd/-  
**SHARAD VIRJI SHAH**  
Chairman and Director  
DIN: 00622001  
DATE: 23<sup>rd</sup> October, 2020  
PLACE: NAVI MUMBAI

## ANNEXURE-A

Details of re-appointment of Mrs. Shilpa Amit Mahajan, Director liable to retire by rotation at the AGM pursuant to Secretarial Standards – 2 on General Meetings:

<b>Name of Director</b>	Mrs. Shilpa Amit Mahajan
<b>DIN</b>	01087912
<b>Date of birth</b>	09 <sup>th</sup> November, 1979
<b>Age</b>	40 Years
<b>Date of first appointment on the Board</b>	25 <sup>th</sup> June, 2018
<b>Qualifications</b>	Diploma in Interior Design
<b>Experience</b>	Mrs. Shilpa Mahajan holds an Diploma in Interior Design. She was appointed as on the Board pursuant to amalgamation of Concept Shapers and Electronics Pvt. Ltd. by the Company and was later re-designated as Whole Time Director. Her knowledge and passion lies in designing products and is well acquainted with design softwares. She has an all-round experience over the last 19 years in the organization, which helps her successfully handle the complete operations of the company right from design to delivery.
<b>Terms and conditions of appointment</b>	No change
<b>Details of remuneration last drawn</b>	Rs. 1,00,000/-p.m.
<b>Remuneration proposed to be paid</b>	In the range of Rs. 1,00,000/- p.m. to Rs. 3,00,000/-p.m.
<b>Shareholding in the Company as on date</b>	7,62,245 Equity Shares (constituting 2.68% of the Equity paid-up capital)
<b>Relationship with other Directors / Key Managerial Personnel</b>	N.A
<b>Directorships in other companies</b>	1. Holland Shielding Systems (India)Private Limited 2. Paras Aerospace Private Limited
<b>Membership of Committees/Chairmanship in other Companies</b>	None
<b>Number of Board meetings attended during the year</b>	9



## FORM MGT - 11 PROXY FORM

[Pursuant to section 105(6) of the companies Act, 2013 and rule 19(3) of the companies (Management and Administration) Rules, 2014]

**CIN:** U29253MH2009PLC193352

**PARAS DEFENCE AND SPACETECHNOLOGIES LIMITED**

D-112, TTC Industrial Area, MIDC, Nerul,  
Navi Mumbai, Mumbai City-400706, Maharashtra, India.

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**Name of the member (s):**

**Registered Address:**

**E-mail Id:**

**Folio No/ client Id:**

**DP ID:**

---

I/We, being the member (s) of \_\_\_\_\_ shares of the above named Company, hereby Appoint

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email-Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or falling him
  
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email-Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or falling him
  
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email-Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or falling him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the \_\_\_\_\_ General Meeting of the Company held on \_\_\_\_\_ day of \_\_\_\_\_ At \_\_\_\_\_ A.M/P.M. the registered office of the Company situated at D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai, Mumbai City-400706, Maharashtra, India and at any adjournment thereof in respect of such resolutions are indicated below:

**Resolution No.:**

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

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**Signature of Shareholder**

---

**Signature of Proxy holder(s)**

## ATTENDANCE SLIP

Please fill the Attendance Slip and hand it over at the entrance of the Meeting hall.

**Folio No.**

**DP Id No.:** \_\_\_\_\_

**Client Id No.:** \_\_\_\_\_

**Name & Address of Shareholder:** \_\_\_\_\_

**No. of Shares held:** \_\_\_\_\_

I hereby record my presence at the Annual General Meeting of the Company on 17th day, November, 2020 at 11.30 A.M. at the registered office of the company situated at D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai-400706, Maharashtra, India.

\_\_\_\_\_  
**Signature of the Shareholder/Proxy**



## BOARD'S REPORT

Dear Shareholders,

The Directors of your Company are pleased to present 11<sup>th</sup> Annual Report together with the Standalone and Consolidated Audited Financial Statements for the financial year ended on 31<sup>st</sup> March 2020.

### 1. FINANCIAL RESULTS:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	For F.Y. Ended 31.03.2020	For F.Y. Ended 31.03.2019	For F.Y. Ended 31.03.2020	For F.Y. Ended 31.03.2019
Revenue from Operations	14,656.87	15,439.94	14,704.28	15,439.94
Other Income	221.82	277.38	200.78	277.01
Less: Expenditure	12,668.91	13,029.75	12,725.84	13,035.86
Profit Before Taxation	2,209.78	2687.57	2,179.22	2681.09
Income tax	661.46	688.39	661.85	688.39
Deferred Tax	(448.78)	95.79	(448.78)	95.79
MAT Credit Entitlement	-	-	-	-
Income Tax for Earlier Years	0.41	(0.14)	0.41	(0.13)
Net Profit after Tax	1,996.69	1,903.53	1,965.74	1,897.04
Total Other Comprehensive Income (Net of tax)	(60.09)	43.76	(59.90)	43.76
Total Comprehensive Income for the year	2,056.78	1,859.77	2025.64	1,853.28

### 2. State Of Companies Affairs/financial Performance:

The Company has earned revenue from operation of Rs. 14,656.87 Lakhs during the year ended on 31<sup>st</sup> March, 2020 as against Rs. 15,439.94 Lakhs earned during the previous year ended on 31<sup>st</sup> March, 2019. The Company has also earned other income of Rs. 221.82 Lakhs during the year under review as against Rs. 277.38 Lakhs earned during the previous year.

### 3. Impact of Covid-19 on the Business of the Company:

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activity. In many countries & in India, businesses were forced to cease or limit their operations for long or indefinite periods of time. COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. The Pandemic has affected the supply chain of the businesses across globe and as our business involves inspection and testing at every stage of production, the same has slowed down since mid of January 2020. The subsequent lock-down in March 2020 has further added to the effect, which has created an impact on revenue structure of the Company as due to non-inspection of our products by the customers, we were unable to record sales of those products which were planned for dispatch during the year.

However, during the lock-down period our core management team worked remotely and there had been continuous review of the critical projects through video conferencing, but as due to scarcity of the available resources and closure of our plants, the production was also hampered. The Government also has taken measures to contain the spread of the virus, including travel bans, quarantines, social distancing and closures

## BOARD'S REPORT (CONTD.)

of non-essential services resulting in significant disruptions to businesses worldwide, resulting in an economic slowdown.

We resumed our operations in the month of May 2020 at lower capacity, by abiding the social distancing norms and all other safety protocols to protect our people and enable business continuity as per the instructions of the State & Local Government Authorities. Although there are still uncertainties due to the pandemic but the Company is well positioned to navigate the challenges ahead and gain better sustainability both in terms of growth and unlocking new opportunities in the years to come.

### 4. Dividend:

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

### 5. Transfer to Reserves:

The Company has not transferred any amount out of the current year profits of the Company for the financial year 2019-20 to General Reserve Account. The description of reserves and surplus are given in Note No. 15, forming part of Standalone Financial Statements.

### 6. Change in Capital Structure of the Company:

#### A. Authorized Share Capital-

During the period under review, the Company has increased and re-classified the authorized share capital of the Company as follows:

Sr. No.	Date of Approval from Shareholders	Particulars	Revised Authorized Share Capital	
			From	To
1.	March 13, 2020	Increase in Authorized share capital for issuing Bonus Shares by way of capitalizing the reserves of the Company in the ratio of 4 fresh shares for every one share held.	Rs. 35,26,00,000/- divided into 3,52,60,000 Equity Shares of Rs. 10/- each.	Rs. 45,38,50,000/- divided in to 4,53,85,000 Equity Shares of Rs. 10/- each.
2.	August 5, 2020	Increase in Authorized share capital for allotment of shares to Maharashtra Defence and Aerospace Venture Fund.	Rs. 45,38,50,000/- divided in to 4,53,85,000 Equity Shares of Rs. 10/- each.	Rs. 58,50,00,000/- divided into 4,53,85,000 Equity shares of Rs. 10/- each and 13,11,500 Preference shares of Rs. 100/- each.
3.	August 5, 2020	Re-classification of the Authorized Share Capital for allotment of Optionally Convertible Preference shares to Maharashtra Defence and Aerospace Venture Fund (MDAVF).	Rs. 58,50,00,000/- divided into 4,53,85,000 Equity shares of Rs. 10/- each and 13,11,500 Preference shares of Rs. 100/- each.	Rs. 58,50,00,000/- divided into 2,85,10,000 Equity Shares of Rs. 10/- each and 29,99,000 Preference Shares of Rs. 100/- each

**Note:** all the relevant compliances and payment of stamp duty has been paid by the company for the above increase in authorized share capital.

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

During the period under review, following allotment of securities have been made by the Company:

Sr. No.	Date of Allotment	Type of Securities	No. of Securities	Face Value	Premium	Purpose of Issue
1.	24.03.2020	Equity Shares	2,27,30,136	10/-	Nil	Issuance of Bonus Shares by way of capitalizing the reserves of the Company in the ratio of 4 fresh shares for every one share held.
2.	13.08.2020	Equity Shares	507	10/-	187/-	Issuance of 507 Equity Shares issued to MDAVF through its investment Manager IDBI Capital Market & Securities Limited
3.	13.08.2020	0.01% Optionally Convertible Preference Shares	29,99,000	100/-	Nil	Issuance of 29,99,000 0.01% Optionally Convertible Preference Shares issued to MDAVF through its investment Manager IDBI Capital Markets & Securities Limited

The securities allotted to MDAVF were allotted at such price as determined by the valuation report obtained by Registered Valuer as per the provision of Companies Act, 2013.

### 7. 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. However, the Board of Directors of the Company on March 24, 2020 have allotted 2,27,30,136 equity shares as bonus shares in the ratio of 4 fresh equity shares for every one share held to all the existing shareholders of the Company as on the record date (i.e. March 7, 2020).

As on March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company. However, Company had allotted 29,99,000 (0.01% Optionally Convertible Preference Shares of the Company) to MDAVF (through its Investment Manager IDBI Capital Markets & Securities Limited) on 13th August, 2020.

### 8. Details of Subsidiary/Joint Ventures/Associate Companies:

#### Subsidiaries:

As on 31<sup>st</sup> March 2020, the Company had 4 (four) subsidiaries out of which 3 (three) are Indian subsidiaries and 1 (One) Foreign subsidiary.

The details of the Subsidiaries are as follow:

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

*#It is further informed that the Board of Directors of the Company at their meeting held on March 7, 2020 has approved the resolution for making application for striking off the name of Holland Shielding Systems (India) Private Limited from the Register of the Registrar of Companies, pursuant to section 248(2) of the Companies Act, 2013, read with relevant rules made therein under.*

*\*The name of the foreign subsidiary was changed from Paras Space Technologies Pte. Ltd. to Opel Technologies Pte. Ltd. effective from 13<sup>th</sup> July, 2020 and was approved by Accounting and Corporate Regulatory Authority (ACRA).*

### Associate Companies

As on 31<sup>st</sup> March, 2020, there are no Associate companies within the meaning of Section 2(6) of the Companies Act, 2013.

### Joint Venture

As on 31<sup>st</sup> March, 2020, there are no Joint Ventures within the meaning of Section 2(6) of the Companies Act, 2013.

During the year under review, the following Companies

#### (a) Ceased to be a Subsidiary of the Company:

- I. Holland Shielding Systems India Private Limited (w.e.f. 17th March, 2020 pursuant to voluntary striking off of the name of the Company due to non-operational business activities since inception and the relevant e-form STK-2 was filed with the Registrar of Companies, Mumbai vide SRN: R39400171 dated May 22, 2020. Accordingly, pursuant to section 129 of the Companies Act, 2013, the Company has not considered the subsidiary for consolidation of its financial statements and have written off the investment in its books of accounts).

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

## 9. Consolidated Financial Statements:

As per Section 129(3) of Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company, along with its Wholly Owned Subsidiaries.

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

**10. Deposits:**

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

**11. Particulars of Loans, Guarantees or Investments:**

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

There is no Guarantee given by the Company during the year under review.

**12. Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

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

**13. Directors:**

**A) Director's liable to Retire by Rotation:**

In accordance with the provisions of Section 152 Companies Act, 2013 and the Company's Articles of Association, Mrs. Shilpa Amit Mahajan, Whole Time Director retires by rotation this year and being eligible offers herself for re-appointment.

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

**B) Change in Directors during the year**

Name of Director	DIN	Nature of Change	Designation	Date of Appointment	Date of Change in Designation	Date of Cessation
Dr. Hina Amol Gokhale	08712659	Appointment	Non-Executive Independent	01.04.2020	-	-

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

**C) Independent Director**

Pursuant to Section 149(7) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company has received declaration from Mr. Sunil Kumar Sharma (DIN: 03614952), Mr. Manmohan Handa (DIN: 06942720), and Dr. Hina Amol Gokhale (DIN: 08712659) Independent Directors of the Company that they meet the criteria of independence as required under Section 149(6) of the Act.

**14. Key Managerial Personnel (KMP):****Changes in Key Managerial Personnel during the year:**

Name of KMP	Designation	Date of appointment	Date of cessation
Mr. Ajit Sharma	Company Secretary & Compliance Officer	05 <sup>th</sup> April, 2019	-
Mr. Harsh Bhansali	Chief Financial Officer	24 <sup>th</sup> March, 2020	-

Pursuant to provision of Section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CFO & Company Secretary.

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

The Company's Policy on appointment and remuneration of Directors, Key Managerial Personnel, and other employees is available on the website of the Company [www.parasdefence.com](http://www.parasdefence.com).

**16. Board Evaluation:**

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

**17. Auditors:****a) Statutory Auditors**

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

**b) Cost Auditor**

M/s. Dinesh Jain & Company, Cost Accountant, Mumbai (Firm Reg. No: 100583) has been proposed to be appointed as Cost Auditor for the Financial Year 2020-21. The Company has maintained cost records as per the applicable provisions of the Companies Act, 2013 or any other applicable Act.

**c) Secretarial Auditors**

The company does not have paid up capital of Rs. 50 crores or more, or Turnover of Rs. 250 crores or more as on March 31, 2020 and hence, the provisions of section 204 of Companies Act, 2013 regarding secretarial audit are not applicable to the company. However, for the financial year 2020-21 the paid-up capital of the Company has crossed Rs. 50 crores and the Board of Directors of the Company is in the process of finalizing the secretarial auditor for conducting the audit for the said financial year.

**d) Internal Auditor**

M/s. Shaparia Mehta & Associates LLP, Independent Chartered Accountant Firm, has been appointed as its Internal Auditor for conducting the internal audit functions of the Company and submit their report thereon for the financial year 2019-2020.

**18. 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 2019-20.
- b) Provisions regarding secretarial audit are not applicable to the company and hence no report was issued for the same.

**19. Extract of Annual return:**

Extract of Annual Return in form MGT-9 containing details as on the financial year ended 31<sup>st</sup> 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 III** which forms part of this report.

**20. Corporate Social Responsibility Committee:**

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

Your Company constituted Corporate Social Responsibility Committee with following members:

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

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

The CSR expenditure spent by the Company for the F.Y. 2019-20 is as follow:

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2020
Environmental Sustainability and Animal Welfare	3.00
Health Care, Sanitation and providing Drinking Water	37.00
Rural Development	0.50
<b>Total</b>	<b>40.50</b>

The contents of the CSR policy and CSR Report for the year 2019-20 is attached as **Annexure IV** to this report. The CSR policy is also available on the Company's website at [www.parasdefence.com](http://www.parasdefence.com)

**21. Vigil Mechanism:**

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

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

**22. 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.

**23. 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.

**24. Compliance with Secretarial Standards:**

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

**25. Change in Nature of business:**

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

**26. Disclosure of orders passed by Regulators or Courts or Tribunal:**

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

- Order No. RD/SEC.87/710/2019-20/1788 dated 17<sup>th</sup> June 2019 for condoning the delay and extension of time for filing the particulars of creation of charges vide SRN H43893254 in favor of Siemens Financials Services Private Limited, for a delay of 365 days. The delay was condoned as it was inadvertent on the part of the Company, subject to payment of Rs. 50,000/- (Rupees Fifty Thousand) u/s. 87(1) of the Companies Act, 2013 r/w. Rule 12 of the rules made therein under.

The Company has made payment of necessary penalty vide SRN U47859889 dated 24<sup>th</sup> June, 2019 and



the order of the Regional Director was filed with the Registrar of Companies in e-form INC-28 vide SRN H67803288 dated 24<sup>th</sup> June, 2019.

## 27. Meetings of the Board:

During the financial year 2019-20, the Board met 09 times i.e. on:

05.04.2019	15.05.2019	23.07.2019	31.08.2019	07.09.2019
16.11.2019	19.12.2019	07.03.2020	24.03.2020	

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 Board meetings entitled to attend	Number of Board meetings attended
1.	Mr. Sharad Virji Shah	9	9
2.	Mr. Munjal Sharad Shah	9	8
3.	Mrs. Shilpa Amit Mahajan	9	9
4.	Mr. Sunil Kumar Sharma	9	7
5.	Mr. Manmohan Handa	9	8

## 28. Particulars of contracts or arrangements with related parties:

All the transactions with related parties are in the ordinary course of business and on arm's length basis. The details of the transactions entered into between the Company and the related parties under Section 188 of the Companies Act, 2013 are given in AOC-2 as **Annexure V** to this report.

The Disclosures as required under Indian Accounting Standard – 24 (Ind AS-24) "Related Party Disclosures" notified under Rule 7 of the Companies (Accounts) Rules, 2014 have been provided in Note No. 34 of the Notes forming part of the Financial Statements.

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

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

## 30. Internal Financial Control:

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

**31. 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 31<sup>st</sup> March, 2020 and of the profit of the Company for that period;
- c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They had prepared the annual accounts on a going concern basis;
- e) They had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**32. Appreciation and Acknowledgement:**

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

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

Sd/-  
**SHARAD VIRJISHAH**  
Chairman and Director  
DIN: 00622001

Sd/-  
**MUNJAL SHARAD SHAH**  
Managing Director  
DIN: 01080863

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

## ANNEXURE - I FORM AOC-1

(Pursuant To First Proviso To Sub-section (3) Of Section 129 Read With Rule 5 of Companies (accounts) Rules, 2014)  
Statement Containing Salient Features Of The Financial Statement Of Subsidiaries/associate Companies/joint Ventures

### PART "A": SUBSIDIARIES

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

(Amount in Rs.)

Sr. No.	Particulars	Details			
		Paras Green Optics Private Limited	Opel Technologies Pte. Limited	Paras Aerospace Solutions Private Limited	Paras Strategic Technologies Private Limited
1	Name of the subsidiary	Paras Green Optics Private Limited	Opel Technologies Pte. Limited	Paras Aerospace Solutions Private Limited	Paras Strategic Technologies Private Limited
		Indian WOS	Foreign WOS	Indian WOS	Indian WOS
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	Reporting Currency : USD  Exchange Rate as on 31.03.2020: 1 USD = Rs.75.67	NA	NA
4	Share capital	1,00,000	5,524	1,00,000	1,00,000
5	Reserves & surplus	(10,77,811)	3,72,953	(18,94,942)	(11,88,539)
6	Total assets	1,81,746	48,44,754	11,83,567	2,10,390
7	Total Liabilities	1,81,746	48,44,754	11,83,567	2,10,390
8	Investments	-	-	-	-
9	Turnover	-	49,84,965	-	-
10	Profit/Loss before taxation	(10,30,187)	9,28,833		(11,88,539)
11	Provision for taxation	-	(39,468)	-	-
12	Profit after taxation	(10,30,187)	8,89,365	(18,94,942)	(11,88,539)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	100%	100%	100%

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

1. Names of subsidiaries which are yet to commence operations:

- a) Paras Green Optics Private Limited
- b) Paras Aerospace Solutions Private Limited
- c) Paras Strategic Technologies Private Limited

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

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

## ANNEXURE - I (CONTD.)

**Part "B": Associate and Joint Ventures**

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

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

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

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

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

Sd/-  
**Sharad V. Shah**  
Chairman & Director  
DIN: 00622001

Sd/-  
**Munjal S. Shah**  
Managing Director  
DIN: 01080863

Sd/-  
**Harsh D. Bhansali**  
Chief Financial Officer

Sd/-  
**Ajit K. Sharma**  
Company Secretary  
FCS: 10165

Place: Navi  
Mumbai

## ANNEXURE - II

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

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

Sr. No.	Particulars	Remarks	
<b>1.</b>	<b>Conservation of energy</b>		
<b>A</b>	The steps taken or impact on Conservation of Energy	Your Company took many initiatives to reduce the electricity consumption through productivity increase. Your Company has focused on productivity so that unit consumption per unit is reduced	
<b>i.</b>	Process Optimization and automation		
<b>ii.</b>	Optimization of Electrical Equipment		
<b>iii.</b>	Lighting		
<b>iv.</b>	Other key initiative for energy conservation		
<b>B.</b>	The steps taken by the Company for utilizing alternate source of energy		
<b>C.</b>	The capital investment on energy conservation equipment		
<b>2.</b>	<b>Technology Absorption</b>		
<b>a.</b>	The efforts made by the Company towards technology absorption		The Company has no activity relating to technology absorption. The Company has not imported technology during the year under review.
<b>b.</b>	The benefits derived like product improvement, cost reduction, product development or import substitution		
<b>c.</b>	In case of imported technology(imported during the last three years reckoned from the beginning of the Financial Year)		
<b>d.</b>	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	2019-20	2018-19
Foreign Exchange Earnings in terms of actual inflows	2,48,22,711	23,40,73,563
Foreign Exchange Outgo in terms of actual outflows	21,26,74,702	23,81,35,585

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

Sd/-  
**Sharad V. Shah**  
Chairman & Director  
DIN: 00622001

Sd/-  
**Munjal S. Shah**  
Managing Director  
DIN: 01080863

Place: Navi  
Mumbai

**ANNEXURE - III****FORM NO. MGT.9****EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31<sup>st</sup> 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**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/ Services	NIC Code of the Product/ service	% to total turnover of the Company
1	Engineering and Technological Products, ferrous & non ferrous metals, etc.	2599	48.00
2	Manufacture of Electronic & Mechanical Items such as Cabinets, Controlling systems, Consoles	2610	19.00
3	Manufacture of optical components involving machinery, mechanical process & high precision jobs	2670	33.00

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

ANNEXURE - III (CONTD.)

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SL. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN/UEN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	*Holland Shielding Systems (India) Private Limited Address: 2nd Floor, Plot no. D-112, TTC Industrial Area, Nerul (E), Navi Mumbai Mumbai City - 400706, Maharashtra, India	U74999MH2018PTC306329	Wholly owned Subsidiary Company	100	2(87)
2	Paras Green Optics Private Limited Address: 1st Floor, D-112, TTC Industrial Area MIDC, Nerul Navi Mumbai -400706	U33309MH2018PTC316487	Wholly owned Subsidiary Company	100	2(87)
3	#Opel Technologies Pte. Limited Address: 54, Arab Street, Singapore- 199751	201900184R	Wholly owned Subsidiary Company	100	2(87)
4	Paras Aerospace Solutions Private Limited Address: 12, Sanjeevappa Layout, Nagavarapalya, C.V. Raman Nagar, Bangalore-560093	U74999KA2019PTC127669	Wholly owned Subsidiary Company	100	2(87)
5	Paras Strategic Technologies Private Limited Address: 1st Floor, D-112, TTC Industrial Area MIDC, Nerul Navi Mumbai -400706	U74999MH2019PTC321808	Wholly owned Subsidiary Company	100	2(87)

\*The Board of Directors of the Company at their meeting held on 07.03.2020, has decided to apply for striking off the name of Holland Shielding India Pvt. Limited from the Registrar of Companies record.

#The name of the foreign subsidiary was changed from Paras Space Technologies Pte. Ltd. to Opel Technologies Pte. Ltd. effective from 13th July, 2020 and was approved by Accounting and Corporate Regulatory Authority (ACRA).

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	43,37,620	-	43,37,620	76.33	1,82,67,470	-	1,82,67,470	64.29	(12.04)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>43,37,620</b>	<b>-</b>	<b>43,37,620</b>	<b>76.33</b>	<b>1,82,67,470</b>	<b>-</b>	<b>1,82,67,470</b>	<b>64.29</b>	<b>(12.04)</b>
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

## ANNEXURE - III (CONTD.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2) :- Total shareholding of Promoter (A) = (A)(1)+(A)( 2)</b>	<b>43,37,620</b>	<b>-</b>	<b>43,37,620</b>	<b>76.33</b>	<b>1,82,67,470</b>	<b>-</b>	<b>1,82,67,470</b>	<b>64.29</b>	<b>(12.04)</b>
<b>Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	--	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4,500	1,91,827	1,95,827	3.45	9,79,135	-	9,79,135	3.45	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	69,526	-	69,526	1.22	130	-	130	0.0004	1.22
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	10,03,340	-	10,03,340	17.66	87,84,830	-	87,84,830	30.92	(13.26)
c) Others (Non-Resident Indian)	76,221	-	76,221	1.34	3,81,105	-	3,81,105	1.34	-
<b>Sub-total (B) (2):- Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>11,53,587</b>	<b>1,91,327</b>	<b>13,44,914</b>	<b>23.67</b>	<b>1,01,45,200</b>	<b>-</b>	<b>1,01,45,200</b>	<b>35.71</b>	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>54,91,207</b>	<b>1,91,327</b>	<b>56,82,534</b>	<b>100</b>	<b>2,84,12,670</b>	<b>-</b>	<b>2,84,12,670</b>	<b>100</b>	<b>-</b>

## ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Mr. Sharad Shah	36,56,094	64.34	-	85,24,840	30.00	-	(34.34)
2	Mr. Munjal Shah	6,81,526	11.99	-	97,42,630	34.29	-	22.30
	<b>Total</b>	<b>43,37,620</b>	<b>76.33</b>	<b>-</b>	<b>1,82,67,470</b>	<b>64.29</b>	<b>-</b>	<b>(12.04)</b>



## ANNEXURE - III (CONTD.)

## 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.	<b>Mr. Sharad Virji Shah</b>				
	At the beginning of the year	36,56,094	64.34	36,56,094	64.34
	Transfer of shares by way of Gift Deed to Mr. Munjal Shah (Son), on 28.02.2020	-	-	(12,67,000)	(22.30)
	Transfer of shares by way of Gift Deed to Mrs. Kaajal Bhansali (Daughter) on 28.02.2020	-	-	(2,84,126)	(5.00)
	Transfer of shares by way of Gift Deed to Ms. Anushka Munjal Shah (Grand Daughter) on 28.02.2020	-	-	(2,00,000)	(3.52)
	Transfer of shares by way of Gift Deed to Ms. Jiwanshi Munjal Shah (Grand Daughter) on 28.02.2020	-	-	(2,00,000)	(3.52)
	Issue of Bonus Shares on 24.03.2020	-	-	68,19,872	-
	<b>At the End of the year</b>	-	-	<b>85,24,840</b>	<b>30.00</b>

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
2.	<b>Mr. Munjal Sharad Shah</b>				
	At the beginning of the year	6,81,526	11.99	6,81,526	11.99
	Transfer of shares received by way of Gift Deed from Mr. Sharad V. Shah (Father)	-	-	12,67,000	22.30
	Bonus Issue of Shares on 24.03.2020	-	-	77,94,104	-
	<b>At the End of the year</b>	-	-	<b>97,42,630</b>	<b>34.29</b>

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

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
	<b>For Each of the Top 10 Shareholders</b>				
1.	<b>Ami Munjal Shah</b>				
	At the beginning of the year	6,72,442	11.83	6,72,442	11.83
	Transfer of shares by way of Gift Deed to Mr. Anish H. Mehta (Brother), on 28.02.2020	-	-	2,84,126	(5.00)
	Issue of Bonus Shares on 24.03.2020	-	-	15,53,264	-
	<b>At the End of the year</b>	-	-	<b>19,41,580</b>	<b>6.83</b>

## ANNEXURE - III (CONTD.)

<b>2.</b>	<b>Anish Hemant Mehta</b>				
	At the beginning of the year	-	-	-	-
	Transfer of shares received by way of Gift Deed from Ami Munjal Shah (Sister), on 28.02.2020	-	-	2,84,126	5.00
	Issue of Bonus Shares on 24.03.2020	-	-	11,36,504	-
	At the end of the year	-	-	14,20,630	5.00
<b>3.</b>	<b>Kaajal Harsh Bhansali</b>				
	At the beginning of the year	-	-	-	-
	Transfer of shares received by way of Gift Deed from Sharad V. Shah (Father), on 28.02.2020	-	-	2,84,126	5.00
	Issue of Bonus Shares on 24.03.2020	-	-	11,36,504	-
	At the end of the year	-	-	14,20,630	5.00
<b>4.</b>	<b>Anushka Shah (under the guardianship of Mr. Munjal Shah)</b>				
	At the beginning of the year	-	-	-	-
	Transfer of shares received by way of Gift Deed from Sharad V. Shah (Grand Father), on 28.02.2020	-	-	2,00,000	3.52
	Issue of Bonus Shares on 24.03.2020	-	-	8,00,000	-
	<b>At the end of the year</b>	-	-	<b>10,00,000</b>	<b>3.52</b>
<b>5.</b>	<b>Jiwanshi Shah (under the guardianship of Mr. Munjal Shah)</b>				
	At the beginning of the year	-	-	-	-
	Transfer of shares received by way of Gift Deed from Sharad V. Shah (Grand Father), on 28.02.2020	-	-	2,00,000	3.52
	Issue of Bonus Shares on 24.03.2020	-	-	8,00,000	-
	<b>At the end of the year</b>	-	-	<b>10,00,000</b>	<b>3.52</b>
<b>6.</b>	<b>Badve Engineering Limited</b>				
	At the beginning of the year	1,59,439	2.81	1,59,439	2.81
	Issue of Bonus Shares on 24.03.2020	-	-	6,37,756	-
	<b>At the end of the year</b>	-	-	<b>7,97,195</b>	<b>2.81</b>
<b>7.</b>	<b>Amit Navin Mahajan</b>				
	At the beginning of the year	1,52,449	2.68	1,52,449	2.68
	Issue of Bonus Shares on 24.03.2020	-	-	6,09,796	-
	<b>At the end of the year</b>			<b>7,62,245</b>	<b>2.68</b>
<b>8.</b>	<b>Rakesh Kirpalani</b>				
	At the beginning of the year	76,221	1.34	76,221	1.34
	Issue of Bonus Shares on 24.03.2020	-	-	3,04,884	-
	<b>At the end of the year</b>	-	-	<b>3,81,105</b>	<b>1.34</b>
<b>9.</b>	<b>Surashrii Consultants Private Limited</b>				
	At the beginning of the year	31,888	0.56	31,888	0.56
	Issue of Bonus Shares on 24.03.2020			1,27,552	-
	<b>At the end of the year</b>	-	-	<b>1,59,440</b>	<b>0.56</b>
<b>10.</b>	<b>Nitin Shah</b>				
	At the beginning of the year	15,000	0.26	15,000	0.26
	Issue of Bonus Shares on 24.03.2020	-	-	60,000	-
	<b>At the end of the year</b>	-	-	<b>75,000</b>	<b>0.26</b>
<b>11.</b>	<b>Madhvi Rubin Chheda</b>				
	At the beginning of the year	11,000	0.19	11,000	0.19
	Issue of Bonus Shares on 24.03.2020	-	-	44,000	-
	<b>At the end of the year</b>	-	-	<b>55,000</b>	<b>0.19</b>

ANNEXURE - III (CONTD.)

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of Director/Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Sharad Virji Shah				
	At the beginning of the year	36,56,094	64.34	36,56,094	64.34
	Transfer of shares by way of Gift Deed to Mr. Munjal Shah (Son), on 28.02.2020	-	-	(12,67,000)	(22.30)
	Transfer of shares by way of Gift Deed to Mrs. Kaajal Bhansali (Daughter) on 28.02.2020	-	-	(2,84,126)	(5.00)
	Transfer of shares by way of Gift Deed to Ms. Anushka Munjal Shah (Grand Daughter) on 28.02.2020	-	-	(2,00,000)	(3.52)
	Transfer of shares by way of Gift Deed to Ms. Jiwanshi Munjal Shah (Grand Daughter) on 28.02.2020	-	-	(2,00,000)	(3.52)
	Issue of Bonus Shares on 24.03.2020	-	-	68,19,872	-
	<b>At the End of the year</b>	-	-	<b>85,24,840</b>	<b>30.00</b>

Sl. No.	Name of Director/Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2.	Mr. Munjal Sharad Shah				
	At the beginning of the year	6,81,526	11.99	6,81,526	11.99
	Transfer of shares received by way Gift Deed from Mr. Sharad V. Shah (Father)	-	-	12,67,000	22.30
	Bonus Issue of Shares on 24.03.2020	-	-	77,94,104	-
	<b>At the End of the year</b>	-	-	<b>97,42,630</b>	<b>34.29</b>

Sl. No.	Name of Director/Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	Shilpa Amit Mahajan				
	At the beginning of the year	1,52,449	2.68	1,52,449	2.68
	Issue of Bonus Shares on 24.03.2020	-	-	6,09,796	-
	<b>At the End of the year</b>	-	-	<b>7,62,245</b>	<b>2.68</b>

Sl. No.	Name of Director/Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	Sunil Kumar Sharma				
	At the beginning of the year	-	-	-	-
	Increase/Decrease in percentage of shareholding	-	-	-	-
	<b>At the End of the year</b>	-	-	-	-

## ANNEXURE - III (CONTD.)

Sl. No.	Name of Director/Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5.	<b>Manmohan Handa</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease in percentage of shareholding	-	-	-	-
	At the End of the year	-	-	-	-

Sl. No.	Name of Director/Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6.	<b>#Harsh Dharendra Bhansali (Chief Financial Officer) – KMP</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease in percentage of shareholding	-	-	-	-
	At the End of the year	-	-	-	-

Sl. No.	Name of Director/Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	<b>*Ajit Kamal Sharma (Company Secretary &amp; Compliance Officer) – KMP</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease in percentage of shareholding	-	-	-	-
	At the End of the year	-	-	-	-

**Note:**

# Mr. Harsh Bhansali was appointed the CFO w.e.f. 24.03.2020.

\* Mr. Ajit Kamal Sharma was appointed as Company Secretary w.e.f. April 5, 2019

ANNEXURE - III (CONTD.)

**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
<b>Indebtedness at the beginning of the year*</b>				
i) Principal amount	83,99,65,491	95,50,375	-	84,95,15,866
ii) Interest due but not paid			-	
iii) Interest accrued but not due	19,52,125	-	-	19,52,125
<b>Total (i + ii + iii)</b>	<b>84,19,17,616</b>	<b>95,50,375</b>	<b>-</b>	<b>85,14,67,991</b>
Changes during the financial year				
Addition	39,04,50,399	25,59,74,206	-	64,64,24,605
Deletion	<b>(35,04,30,620)</b>	(11,81,79,554)	-	(46,86,10,174)
<b>Net Changes</b>	<b>4,00,19,779</b>	<b>13,77,94,652</b>		<b>17,78,14,431</b>
Indebtedness at the end of the financial year				
i) Principal amount	88,19,37,395	14,73,45,027	-	1,02,92,82,422
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13,19,305	37,667	-	13,56,972
<b>Total (i + ii + iii)</b>	<b>88,32,56,700</b>	<b>14,73,82,694</b>	<b>-</b>	<b>1,03,06,39,394</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	NAME OF THE DIRECTORS		Total Amount
		Mr. Munjal Shah	Mrs. Shilpa Mahajan	
1.	Gross Salary	60.00	12.00	72.00
(a)	Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	NIL	NIL	NIL
(b)	Value of perquisites under section 17(2) of Income Tax Act, 1961	2.74	1.02	3.76
(c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	NIL	NIL	NIL
2.	Stock Options	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL
5.	Others, specify (if any)	NIL	NIL	NIL
	Total (A)	62.74	13.02	75.76
	Ceiling as per the Act	The salary paid to the Directors is within the prescribed limits of the Act		

## ANNEXURE - III (CONTD.)

## B. Remuneration to other Directors

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

(Rs. in Lakhs)

Particulars of Remuneration	Name of Directors		Total
Name of Independent Directors	Mr. Sunil Kumar Sharma	Mr. Manmohan Handa	
Fee for attending Board / Committee Meeting	13.00	12.00	25.00
Commission	NIL	NIL	NIL
Others, Please Specify	NIL	NIL	NIL
<b>Total</b>	<b>13.00</b>	<b>12.00</b>	<b>25.00</b>
Others Non - Executive Director	Mr. Sharad Virji Shah		
Fee for attending Board / Committee Meeting	13.00		
Commission	NIL		NIL
Other, please Specify	NIL		NIL
Total(2)	13.00		NIL
<b>Total</b>	<b>38.00</b>		<b>38.00</b>
Overall Ceiling as per the Act (Rs. 1,00,000 Per Meeting)	The sitting fees paid to the Independent Directors and the Non-Executive Director is within the prescribed limits under the Act		

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Ajit K. Sharma,	*Mr. Harsh D. Bhansali,	
		Company Secretary	Chief Financial Officer	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.54	0.26	9.80
	(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	-	-	-
	<b>Total</b>	<b>9.54</b>	<b>0.26</b>	<b>9.80</b>

\*Mr. Harsh D. Bhansali was appointed as CFO w.e.f. March 24, 2020.



## ANNEXURE - III (CONTD.)

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

During the financial year under review, there were following penalties and condonation of delay under the Companies Act, 2013:

- Order No. RD/SEC.87/710/2019-20/1788 dated 17th June 2019 for condoning the delay and extension of time for filing the particulars of creation of charges vide SRN H43893254 in favor of Siemens Financials Services Private Limited, for a delay of 365 days. The delay was condoned as it was inadvertent on the part of the Company, subject to payment of Rs. 50,000/- (Rupees Fifty Thousand) u/s. 87(1) of the Companies Act, 2013 r/w. Rule 12 of the rules made therein under.

The Company has made payment of necessary penalty vide SRN U47859889 dated 24th June, 2019 and the order of the Regional Director was filed with the Registrar of Companies in e-form INC-28 vide SRN H67803288 dated 24<sup>th</sup> June, 2019.

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

Sd/-

**Sharad V. Shah**

Chairman &amp; Director

DIN: 00622001

Sd/-

**Munjal S. Shah**

Managing Director

DIN: 01080863

Place: Navi

Mumbai

## ANNEXURE - IV

### ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs:-

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

The activities undertaken for the Financial Year 2019-20 are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR Policy are available on [www.parasdefence.com](http://www.parasdefence.com).

2. The composition of the CSR Committee –

**Mr. Munjal Sharad Shah**      **Chairman**

**Mrs. Shilpa Amit Mahajan**      **Member**

**Mr. Manmohan Handa**      **Member**

3. Average Net Profit of the Company for last three financial years - Rs. 20,02,71,510/- (Rupees Twenty Crores Two Lakhs Seventy One Thousand Five Hundred and Ten Only).
4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above) – Rs. 40,05,431/- (Rupees Forty Lakhs Five Thousand Four Hundred and Thirty One Only).

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

(a) Total amount to be spent for the financial year – Rs. 40,50,000/-

(b) Amount unspent if any – Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
1	Health Care, Sanitation and providing Drinking Water	Promoting health care including preventive healthcare	Gujarat	37,00,000	37,00,000	37,00,000	37,00,000





2	Environment Sustainability and Animal Welfare	Ensuring environment sustainability & Animal Welfare	Tardeo, Mumbai and Kutch, Gujarat	3,00,000	3,00,000	3,00,000	3,00,000
3	Rural Development	Rural Development	Mumbai	50,000	50,000	50,000	50,000
	<b>TOTAL</b>						<b>40,50,000</b>

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

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

Sd/-

**Sharad V. Shah**

Chairman & Director

DIN: 00622001

Sd/-

**Munjal S. Shah**

Managing Director

DIN: 01080863

Place: Navi

Mumbai

**ANNEXURE V****FORM NO. AOC-2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

(a) Name (s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts / arrangements/tranactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) Date(s) of approval by the Board, if any	(f) Amount paid as advances, if any	Amount(In Lakhs)											
						Sharad Shah	Munjhal Shah	Shilpa Mahajan	Ami Shah	Harsh Bhansali	Kaajal Bhansali	Amit Mahajan	Anish Mehta	Munjhal Shah	Harsh Bhansali	Holland Shielding Systems (India) Pvt. Ltd.	Paras Green Optics Pvt. Ltd.
	Sitting Fees	One year	13.00		Nil												
	Managerial Remuneration	Five years	62.74	7.9.19	Nil	Nil	15.12.18										
	Managerial Remuneration	Five Years	13.02	7.9.19	Nil	Nil	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19
	Salary to relative	One Year	31.91	7.9.19	Nil	Nil	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19
	Salary to relative	One Year	12.71	7.9.19	Nil	Nil	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19
	Salary to relative	One Year	13.38	7.9.19	Nil	Nil	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19
	Salary to relative	One Year	12.24	7.9.19	Nil	Nil	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19
	Salary to relative	One Year	4.36	7.9.19	Nil	Nil	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19	7.9.19
	Lease Rent	Eleven Months	0.40	7.3.20	Nil	Nil	7.3.20	7.3.20	7.3.20	7.3.20	7.3.20	7.3.20	7.3.20	7.3.20	7.3.20	7.3.20	7.3.20
	Lease Rent	One Year	9.00	9.00	Nil	Nil	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
	Lease Rent	One Year	9.50	3.11.18	Nil	Nil	3.11.18	3.11.18	3.11.18	3.11.18	3.11.18	3.11.18	3.11.18	3.11.18	3.11.18	3.11.18	3.11.18
	Lease Rent	One Year	11.10	14.3.19	Nil	Nil	14.3.19	14.3.19	14.3.19	14.3.19	14.3.19	14.3.19	14.3.19	14.3.19	14.3.19	14.3.19	14.3.19
	Lease Rent	One Year	2.44	31.7.19	Nil	Nil	31.7.19	31.7.19	31.7.19	31.7.19	31.7.19	31.7.19	31.7.19	31.7.19	31.7.19	31.7.19	31.7.19

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

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

Sd/-  
**MUNJAL SHARAD SHAH**  
Managing Director  
DIN: 01080863

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

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying Standalone Financial Statements of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED ("the Company"), which comprise the Standalone Balance sheet as at March 31, 2020, the Statement of Standalone Profit and Loss (including Other Comprehensive Income), the Statement of Standalone Changes in Equity and the Statement of Standalone Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone 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 Standalone Financial Statements.

#### Emphasis of Matter

We draw your attention to the Note no. 40 to the Standalone Financial Statements, which describes the uncertainties related to COVID-19 Pandemic and its consequential effects on the affairs of the Company.

Our opinion is not modified in respect of this matter.

#### Other Information

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

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian

Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone 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 Standalone Balance Sheet, the Statement of Standalone Profit and Loss (Including other comprehensive income), the Statement of Standalone Changes in Equity and the Statement of Standalone Cash Flow dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Standalone 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 the requirements of section 197(16) of the Act, as amended:

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements as referred to in Note No. 33 to the Standalone Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (“CARO 2016”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of CARO 2016.

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

**R. KORIA**  
Partner  
Membership No. 35629  
UDIN No.: 20035629AAAAHC7704

**Mumbai**  
**Date: 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 Standalone Financial Statements of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED for the year 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 DEFENCE AND SPACE TECHNOLOGIES LIMITED ('the Company') as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITOR'S RESPONSIBILITY**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone 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, except in respect of allocation of overheads for determination of the costs of its Defence and Space Optics products and KYC related to alteration of Customers and Vendors details, which need to be further strengthen, 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.: 20035629AAAAHC7704

**Mumbai**  
**Date: September 14, 2020**

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED on the Standalone Financial Statements for the year 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 certain assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the original title deeds of immovable properties, as disclosed in Note no. 2 to the Standalone Financial Statements, have been deposited with the lenders, we have been produced the photocopy of the title deeds of those immovable properties and based on such documents, the title deeds are held in the name of the Company.
- ii. As explained to us, inventories have been physically verified during the year by the management, except for inventories with job worker for which management confirmation has been received. In our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company and the same have been properly dealt with.
- iii. In respect of loans, secured or unsecured, granted by the Company to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act:
  - a. The Company has granted unsecured loan to only its wholly owned subsidiaries. In our opinion and according to the information and explanation given to us, the terms and conditions on which the loan had been granted were not, prima facie, prejudicial to the interest of the Company.
  - b. The terms of repayment of principal and payment of interest have been stipulated and the receipts are regular, where applicable.
  - c. As the repayment of loan is on demand and interest is not due for payment as on March 31, 2020, so the question of overdue does not arise.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans and making investments. The Company has not provided any guarantees or securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of paragraph 3 (v) of the CARO 2016 are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013, as applicable and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a. The company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, duty of customs, cess, goods and service tax and any other statutory dues, as



applicable, with the appropriate authorities during the year however delays have been noticed in respect of income tax. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable except income tax amounting to Rs. 202.55 Lakhs.

- b. According to information and explanations given to us, there are no dues of 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, however dues of Income Tax aggregating to Rs. 14.06 Lakhs have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Nature of Dues	Statute	Period Involved	Amount (Rs. in Lakhs)	Forum where dispute is pending
Income Tax – TDS Return Late Filed	The Income Tax Act, 1961	2007-08, 2009-10 to 2015-16	14.06	Commissioner / CPC

- viii. Based on our audit procedures and information and explanations given by the Management, during the year the company has not defaulted in repayment of loans or borrowing to a financial institution, bank and Government. The Company does not have any borrowings from debenture holders.
- ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year either utilised for the purpose for which it has been raised or pending utilization have been temporarily invested in fixed deposit with a Bank / lying in current account with the banks.
- x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of paragraph 3 (xii) of the CARO 2016 are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone 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 year. 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. KORIA**  
**Partner**  
 Membership No. 35629  
 UDIN No.: 20035629AAAAHC7704

**Mumbai**  
**Date: September 14, 2020**

## STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2020

(Rs. in Lakhs)

	PARTICULARS	Note No.	As at 31.03.2020		As at 31.03.2019	
<b>I.</b>	<b>ASSETS</b>					
<b>1)</b>	<b>Non Current Assets</b>					
(a)	Property, Plant and Equipment	2	15,578.42		16,588.77	
(b)	Capital Work in Progress	2	490.50		262.95	
(c)	Intangible Assets	3	204.44		240.47	
(d)	Financial Assets					
	i) Investments	4	8.05		9.05	
	ii) Other Financial Assets	5	24.03		42.43	
(e)	Other Non Current Assets	6	138.40	<b>16,443.84</b>	87.07	<b>17,230.74</b>
<b>2)</b>	<b>Current Assets</b>					
(a)	Inventories	7	6,033.95		6,452.70	
(b)	Financial Assets					
	i) Trade Receivables	8	9,725.78		8,322.72	
	ii) Cash and Cash Equivalents	9	119.92		12.34	
	iii) Bank Balances other than (ii) above	10	312.60		167.83	
	iv) Loans	11	9.61		18.02	
	v) Other Financial Assets	12	67.44		51.38	
(c)	Other Current Assets	13	1,226.44		720.32	
			<b>17,495.74</b>		<b>15,745.30</b>	
(d)	Assets held for Sale	41	250.66	<b>17,746.40</b>	-	<b>15,745.30</b>
	<b>TOTAL ASSETS</b>			<b>34,190.24</b>		<b>32,976.04</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>					
	<b>EQUITY</b>					
(a)	Equity Share Capital	14	2,841.26		568.25	
(b)	Other Equity	15	14,458.66	<b>17,299.92</b>	14,674.89	<b>15,243.14</b>
	<b>LIABILITIES</b>					
<b>1)</b>	<b>Non Current Liabilities</b>					
(a)	Financial Liabilities					
	i) Borrowings	16	3,675.04		3,819.91	
	ii) Lease Liabilities	17	10.12		-	
(b)	Provisions	18	129.62		168.83	
(c)	Deferred Tax Liabilities (Net)	19	2,349.62	<b>6,164.40</b>	2,778.19	<b>6,766.93</b>
<b>2)</b>	<b>Current Liabilities</b>					
(a)	Financial Liabilities					
	i) Borrowings	20	5,973.03		3,792.59	
	ii) Trade Payables	21				
	Total Outstanding dues of Micro enterprises and small enterprises		698.70		726.95	
	Total Outstanding dues of creditors other than Micro enterprises and small enterprises		1,972.82		4,598.22	
	iii) Other Financial Liabilities	22	885.64		1,110.91	
(b)	Other Current Liabilities	23	603.94		160.80	
(c)	Provisions	24	15.34		15.05	
(d)	Current Tax Liabilities (Net)		576.45	<b>10,725.92</b>	561.45	<b>10,965.97</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>			<b>34,190.24</b>		<b>32,976.04</b>

Significant Accounting Policies  
Notes to the Standalone Financial Statements

1  
2 to 46

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

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

**Place:** Mumbai  
**Date:** 14th September, 2020

For and on behalf of the Board of Directors

**MUNJAL SHAH**  
Managing Director  
DIN: 01080863

**SHARAD SHAH**  
Chairman and Director  
DIN: 00622001

**HARSH BHANSALI**  
Chief Financial Officer

**AJIT SHARMA**  
Company Secretary  
Membership No. F10165

**STANDALONE STATEMENT OF PROFIT & LOSS**

FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)				
	PARTICULARS	Note No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
1	Revenue From Operations	25	14,656.87	15,439.94
2	Other Income	26	221.82	277.38
3	<b>Total Income (1+2)</b>		<b>14,878.69</b>	<b>15,717.32</b>
4	<b>Expenses</b>			
	Cost of Materials Consumed		7,397.48	9,552.39
	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	27	(149.03)	(1,163.97)
	Employee Benefits Expense	28	1,088.43	897.74
	Finance Costs	29	977.18	938.52
	Depreciation and Amortisation Expense	30	971.16	940.55
	Other Expenses	31	2,383.69	1,864.52
	<b>Total Expenses</b>		<b>12,668.91</b>	<b>13,029.75</b>
5	<b>Profit Before Exceptional Items and Tax (3-4)</b>		<b>2,209.78</b>	<b>2,687.57</b>
6	Exceptional Items		-	-
7	<b>Profit Before Tax (5-6)</b>		<b>2,209.78</b>	<b>2,687.57</b>
8	<b>Tax Expenses :</b>			
	Current Tax		661.46	688.39
	Deferred Tax	19	(448.78)	95.79
	Income Tax for Earlier Years		0.41	(0.14)
			<b>213.09</b>	<b>784.04</b>
9	<b>Profit for the Year (7-8)</b>		<b>1,996.69</b>	<b>1,903.53</b>
10	<b>Other Comprehensive Income</b>			
(i)	<b>Items that will not be reclassified to profit or loss</b>			
	Remeasurement Losses / (Gains) on Defined Benefit Plans		(80.30)	61.74
	Tax Effect on above		20.21	(17.98)
(ii)	<b>Items that will be reclassified to Profit or Loss</b>		-	-
	<b>Total Other Comprehensive Income (Net of Tax)</b>		<b>(60.09)</b>	<b>43.76</b>
	<b>Total Comprehensive Income for the year (9-10)</b>		<b>2,056.78</b>	<b>1,859.77</b>
11	<b>Earnings per Equity Share of Rs. 10/- each</b>	32		
	Basic (Rs.)		7.03	6.77
	Diluted (Rs.)		7.03	6.76
	Significant Accounting Policies Notes to the Standalone Financial Statements	1 2 to 46		

As per our report of even date

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

For and on behalf of the Board of Directors

**MUNJAL SHAH**

Managing Director

DIN: 01080863

**SHARAD SHAH**

Chairman and Director

DIN: 00622001

**R. KORIA**

Partner

Membership No. 35629

**HARSH BHANSALI**

Chief Financial Officer

**AJIT SHARMA**

Company Secretary

Membership No. F10165

**Place:** Mumbai**Date:** 14th September, 2020

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

### A. EQUITY SHARE CAPITAL

PARTICULARS	(Rs. in Lakhs)		
	Balance as at 31 <sup>st</sup> March, 2018	Changes during 2018-19	Balance as at 31 <sup>st</sup> March, 2019
Equity Share Capital	558.25	10.00	568.25
		2,273.01	2,841.26

### B. OTHER EQUITY

PARTICULARS	(Rs. in Lakhs)					
	Reserves and Surplus			Revaluation Reserve	Item of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve			
<b>Balance as at 1<sup>st</sup> April, 2018</b>	(808.36)	3,944.71	11.92	4,183.09	(2.25)	11,825.12
Conversion of Compulsorily Convertible Debentures	-	990.00	-	-	-	990.00
Total Comprehensive Income for the year	-	-	-	1,903.53	(43.76)	1,859.77
<b>Balance as at 31<sup>st</sup> March, 2019</b>	(808.36)	4,934.71	11.92	4,183.09	(46.01)	14,674.89
Balance as at 1 <sup>st</sup> April, 2019	(808.36)	4,934.71	11.92	4,183.09	(46.01)	14,674.89
Utilised for Issue of Bonus Shares (Refer Note No. 14.2)	-	(2,273.01)	-	-	-	(2,273.01)
Total Comprehensive Income for the year	-	-	-	1,996.69	60.09	2,056.78
<b>Balance as at 31<sup>st</sup> March, 2020</b>	(808.36)	2,661.70	11.92	4,183.09	14.08	14,458.66

As per our report of even date  
**For Chaturvedi & Shah LLP**  
 Chartered Accountants  
 (Firm Registration No. 101720W/W1 00355)

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

**Place:** Mumbai  
**Date:** 14th September, 2020

For and on behalf of the Board of Directors

**MUNJAL SHAH**  
 Managing Director  
 DIN: 01080863

**SHARAD SHAH**  
 Chairman and Director  
 DIN: 00622001

**HARSH BHANSALI**  
 Chief Financial Officer

**AJIT SHARMA**  
 Company Secretary  
 Membership No. F10165

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2020

	(Rs. in Lakhs)	
PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax as per the Statement of Profit and Loss	2,209.78	2,687.57
<b>ADJUSTED FOR :</b>		
Depreciation and Amortisation Expense	971.16	940.55
Dividend on Non Current Investments	(0.50)	(0.50)
Interest Income	(24.36)	(16.49)
Finance Costs	977.18	938.52
Loss on discard/ Sale of Property, Plant and Equipment	7.94	5.39
Investment in subsidiary write off	1.00	-
Initial Public Offering Related Expenses	45.00	-
Account Written Back (Net)	(93.33)	-
Bad Debts / Advances written off (Net)	-	42.16
Provision for Expected Credit Loss	134.89	66.77
Provision for Doubtful Advance	50.00	-
Unrealised Foreign Exchange differences	38.04	(28.42)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	4,316.80	4,635.55
<b>ADJUSTMENTS FOR :</b>		
Trade and Other Receivables	(2,075.19)	(5,671.69)
Inventories	418.75	(2,073.33)
Trade and Other Payables	(2,171.34)	2,604.84
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	489.02	(504.63)
Direct Taxes Paid (Including Interest)	(704.07)	(699.75)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(215.05)	(1,204.38)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(404.69)	(965.61)
Sale of Property, Plant and Equipment	1.84	-
Investment in Subsidiary	-	(3.05)
Loans to Subsidiary Companies (Net)	(3.39)	(2.89)
Fixed Deposits	(100.00)	-
Interest Income	16.09	10.28
Dividend Income	0.50	0.50
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(489.65)	(960.77)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Issue of Compulsorily Convertible Debentures	-	1,000.00
Proceed from Non Current Borrowings	510.98	767.97
Repayment of Non Current Borrowings	(893.76)	(603.72)
Current Borrowings (Net)	2,222.67	1,687.31
Initial Public Offering Related Expenses	(45.00)	-
Lease Liabilities	(3.52)	-
Finance Costs	(952.71)	(808.23)
Margin Money (Net)	(26.38)	97.91
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	812.28	2,141.24
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	107.58	(23.91)
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	12.34	36.25
<b>Effect of Exchange rate on Cash and Cash Equivalents</b>	(0.06)	
<b>Balance of Cash and Cash Equivalents</b>	119.98	
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE) (Refer Note No. 9.1)</b>	119.92	12.34

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

Particulars	31.03.2020	31.03.2019
<b>OPENING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES</b>	8,487.60	6,636.04
Add : Changes from Cash Flow from Financing Activities (Net)		
Less: Inter Corporate Deposits Written Back	1,839.89	1,851.56
Add : Changes in Fair Value	42.23	-
	0.41	-
<b>CLOSING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES</b>	10,285.67	8,487.60



- (i) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".
- (ii) Figures in brackets indicate Outflows.
- (iii) Previous Year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

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

For and on behalf of Board of Directors

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

**MUNJAL SHAH**  
Managing Director  
DIN: 01080863

**SHARAD SHAH**  
Chairman and Director  
DIN: 00622001

**HARSH BHANSALI**  
Chief Financial Officer

**AJIT SHARMA**  
Company Secretary  
Membership No. F10165

**Place:** Mumbai  
**Date:** 14th September, 2020

## Notes to the Standalone Financial Statements for Year Ended 31st March, 2020

### 1.1 Corporate Information

Paras Defence and Space Technologies Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is situated at D-112, TTC industrial area, Nerul, Navi Mumbai. The company is involved in design, development, manufacturing, testing & commissioning of products, systems and solutions for Defence & Space Applications.

The financial statements of the Company for the year ended 31st March, 2020 were approved and adopted by board of directors in their meeting held on 14th September, 2020.

### 1.2 Basis of Preparation

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

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

These financial statements are presented in Indian Rupees, which is the company's functional and presentation currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

### 1.3 Significant Accounting policies

#### A) Property, Plant and Equipment

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

will flow to the entity and the cost can be measured reliably. In case of Property, Plant and Equipment, the Company has availed as deemed cost on the date of transition i.e. 1st April, 2016.

#### Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

#### Depreciation:

Depreciation on property, plant and equipment is provided on straight line method for the period for which the assets have been used as under:

Depreciation on property, plant and equipment is provided on straight line method for the period for which the assets have been used as under:

(a) Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of Companies Act, 2013.

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

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

#### B) Intangible Assets and Amortisation:

Intangible Assets are stated at cost, net of accumulated amortization and impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gain or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The period of amortisation is as under:

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

### C) Borrowing Cost

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

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

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

### E) Government Grants and Subsidy

The Company is entitled to subsidy from DSIR (Department of Scientific & Industrial Research), Ministry of Science & Technology for the difference

between the normal rate of interest @12% and the concessional rate of interest @ 3% on financial assistance received from DSIR, subject to prompt repayment of the principal and interest thereon. Government grants are recognized only if there is reasonable assurance that the grant will be received and all the conditions attached there to shall be complied with and are adjusted against the finance costs.

### F) Taxes of Income

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

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

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

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the



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

## G) Inventories

Inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. NRV is the estimate selling price in the ordinary course of business, less estimated costs of completion and estimate cost necessary to make the sale. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores & spares, packing materials are determined on weighted average basis. The Cost of Work in Progress and Finished Goods is determined on absorption costing methods.

## H) Financial Instruments

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

### Financial Assets -Initial recognition and measurement

All financial assets are initially 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.

#### **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 cancell-

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

#### **I) Fair Value**

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

#### **J) Investment in Subsidiary and Associate Companies**

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

#### **K) Revenue Recognition and Other Income Sales of goods and services:**

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

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

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

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

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

#### **Contract Balances - Trade Receivables**

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

#### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability

is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **Other Income**

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit and loss after due consideration of certainty of utilization/receipt of such incentives.

#### **Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **Dividend Income**

Dividend Income is recognised when the right to receive the payment is established.

#### **Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit or loss.

#### **L) Foreign currency transactions and translation:**

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transa-

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

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

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

#### M) Employee Benefits

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered. Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

The cost of providing gratuity, a defined benefit plans, is determined based on Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

#### N) Lease

**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.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **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.

### **O) Research and Development**

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

### **P) Provisions, Contingent Liabilities and Contingent Assets:**

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

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

### **Q) Segment reporting**

Operating segments are reported in a manner

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

## R) Cash and Cash Equivalents

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

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

## S) Earnings Per Share

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

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

## T) Current / Non-current classification

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

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

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after

the reporting period, or

- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

### A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

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

## U) Offsetting financial instruments

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

## V) Held for Sale

Non-Current Assets are classified as Held for Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-Current Assets are classified as Held for Sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the statement of profit and loss as a separate line item. On classification as Held for Sale, the assets are no longer depreciated. Assets and liabilities classified as Held for Sale are presented separately as current

items in the Balance Sheet.

#### 1.4 Key accounting estimates and judgements

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

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

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

##### b) Provisions

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

##### c) Defined benefit obligation

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

##### d) Income Tax

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

##### e) Impairment of financial assets:

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

**NOTE : 2  
PROPERTY, PLANT AND EQUIPMENT**

Particulars	(Rs. in Lakhs)										
	Freehold-Land	Leasehold-Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Right of Use of Assets (Building)	Total	
<b>Balance As at 1st April, 2018</b>	377.82	5,415.59	3,560.85	7,854.76	131.72	371.28	60.89	14.36	-	17,787.27	
Additions	-	-	272.57	3.81	136.87	8.28	74.72	15.15	-	511.40	
Disposals / Transfer	-	-	-	11.45	-	-	-	-	-	11.45	
<b>Balance As at 31st March, 2019</b>	377.82	5,415.59	3,833.42	7,847.12	268.59	379.56	135.61	29.51	-	18,287.22	
Additions	-	-	-	63.15	16.51	13.06	24.01	29.73	19.73	166.19	
Disposals / Transfer	-	-	-	11.15	13.13	0.11	1.52	2.18	-	28.09	
Transfer to Held for Sale (Refer Note No. 41)	-	-	265.12	-	-	-	-	-	-	265.12	
<b>Balance As at 31st March, 2020</b>	377.82	5,415.59	3,568.30	7,899.12	271.97	392.51	158.10	57.06	19.73	18,160.20	
<b>Depreciation</b>											
<b>Balance As at 1st April, 2018</b>	-	114.61	166.70	421.26	19.26	66.57	19.51	5.44	-	813.35	
Depreciation For the Year	-	81.17	167.90	543.92	23.35	51.42	18.04	5.36	-	891.16	
Disposals	-	-	-	6.06	-	-	-	-	-	6.06	
<b>Balance As at 31st March, 2019</b>	-	195.78	334.60	959.12	42.61	117.99	37.55	10.80	-	1,698.45	
Depreciation For the Year	-	81.17	170.07	543.55	30.06	49.67	25.46	11.69	4.38	916.05	
Disposals	-	-	-	6.26	8.98	0.09	1.24	1.69	-	18.26	
Transfer to Held for Sale (Refer Note No. 41)	-	-	14.46	-	-	-	-	-	-	14.46	
<b>Balance As at 31st March, 2020</b>	-	276.95	490.21	1,496.41	63.69	167.57	61.77	20.80	4.38	2,581.78	
<b>Net Carrying Value</b>											
<b>Balance As at 31st March, 2019</b>	377.82	5,219.81	3,498.82	6,888.00	225.98	261.57	98.06	18.71	-	16,588.77	
<b>Balance As at 31st March, 2020</b>	377.82	5,138.64	3,078.09	6,402.71	208.28	224.94	96.33	36.25	15.35	15,578.42	

2.1 Property, Plant and Equipment include assets pledged / hypothecation as security (Refer note no. 16 and 20).

2.2 Vehicles, having carrying value of Rs. 213.25 lakhs (31st March, 2019 : Rs. 261.58 lakhs), are registered in the name of the Directors or erstwhile Directors of the Company or of entities that has since been amalgamated with the Company in pursuance to the scheme of amalgamation.



**2.3 CAPITAL WORK IN PROGRESS INCLUDES:**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Building under Construction	455.19	262.95
Pre-operative Expenses (Finance Cost)	35.31	-
<b>TOTAL</b>	<b>490.50</b>	<b>262.95</b>

2.4 Building includes cost of shares in Co-operative society of Rs. 750 ( Previous year Rs. 750) .

2.5 In accordance with the Indian Accounting standards -36 on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Ind AS. On the basis of the review carried out by the management , there was no impairment loss on Property, Plant and Equipment during the year ended 31st March, 2020.

**NOTE : 3  
INTANGIBLE ASSETS**

(Rs. in Lakhs)

Particulars	Computer Software*	Process Technology / Technical know- How*	TOTAL
Balance As at 1st April, 2018	0.32	185.62	185.94
Additions	4.01	123.52	127.53
<b>Balance As at 31st March, 2019</b>	<b>4.33</b>	<b>309.14</b>	<b>313.47</b>
Additions	19.08	-	19.08
<b>Balance As at 31st March, 2020</b>	<b>23.41</b>	<b>309.14</b>	<b>332.55</b>
Amortisation			
Balance As at 1st April, 2018	0.16	23.45	23.61
Amortisation Charge for the Year	0.31	49.09	49.39
Balance As at 31st March, 2019	0.47	72.54	73.00
Amortisation Charge for the Year	3.59	51.52	55.11
<b>Balance As at 31st March, 2020</b>	<b>4.06</b>	<b>124.06</b>	<b>128.11</b>
Net Carrying Amount			
Balance As at 31st March, 2019	3.86	236.60	240.47
<b>Balance As at 31st March, 2020</b>	<b>19.34</b>	<b>185.09</b>	<b>204.44</b>

\* Other than self generated

**NOTE: 4  
NON CURRENT INVESTMENTS**

PARTICULARS	(Rs. in Lakhs)			
	Number of Shares		Face Value	As at 31.03.2020
	31.03.2020	31.03.2019		
<b>Equity Instruments (Unquoted, Fully Paid Up)</b>				
<b>i) Subsidiary Companies (Carried at Cost)</b>				
Holland Shielding Systems (India) Private Limited(Refer Note no. 31.3)*	-	10,000	10	1.00
Paras Aerospace Solutions Private Limited #	10,000	10,000	10	1.00
Paras Green Optics Private Limited #	10,000	10,000	10	1.00
Paras Strategic Technologies Private Limited #	10,000	10,000	10	1.00
OPEL Technologies PTE Ltd (Formerly known as Paras Space Technologies PTE Ltd)	100	100	SGD 1	0.05
<b>ii) Others (Carried at fair value through Profit &amp; Loss)</b>				
NKGSB Co- Operative Bank Limited	50,000	50,000	10	5.00
<b>TOTAL</b>				<b>9.05</b>

\*9900 shares are held by the Company in its own name and 100 shares are held by Mr. Munjal Shah as nominee of the Company

# 9999 shares are held by the Company in its own name and 1 share is held by Mr. Munjal Shah as nominee of the Company

	31.03.2020	31.03.2019
Aggregate Amount of Unquoted Investments	8.05	9.05
Aggregate Amount of Quoted Investments and Market Value	-	-
Investment Carried at fair value through Profit & Loss	5.00	5.00
Investment Carried at Cost	3.05	4.05

**NOTE: 5**  
**OTHERS NON CURRENT FINANCIAL ASSETS**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Fixed Deposits with Banks held as Margin Money	24.03	42.43
<b>TOTAL</b>	<b>24.03</b>	<b>42.43</b>

**NOTE: 6**  
**OTHERS NON CURRENT ASSETS**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
(Unsecured, Considered Good)		
Capital Advances	41.47	5.00
Security Deposits	82.43	82.07
Prepaid Expenses	14.50	-
<b>TOTAL</b>	<b>138.40</b>	<b>87.07</b>

**NOTE: 7**  
**INVENTORIES**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Raw Materials	1,986.95	2,816.80
Work-in-Progress	3,060.23	2,475.74
Finished Goods	629.82	1,065.28
Stores, Spares and Consumables	356.95	94.88
<b>TOTAL</b>	<b>6,033.95</b>	<b>6,452.70</b>

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

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

**NOTE: 8**  
**TRADE RECEIVABLES**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
(Unsecured)		
Considered Good	10,031.14	8,426.26
Significant Increase in Credit Risk	194.04	260.97
	10,225.18	8,687.23
Less: Provision for Expected Credit Loss	499.40	364.51
<b>TOTAL</b>	<b>9,725.78</b>	<b>8,322.72</b>

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

**NOTE: 9**  
**CASH AND CASH EQUIVALENTS**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	113.91	7.96
Cash on hand	6.01	4.38
<b>TOTAL</b>	<b>119.92</b>	<b>12.34</b>

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

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Balances with Banks in Current Accounts	113.91	7.96
Cash on hand	6.01	4.38
<b>TOTAL</b>	<b>119.92</b>	<b>12.34</b>

**NOTE: 10**  
**BANK BALANCES OTHER THAN CASH AND EQUIVALENTS**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Fixed Deposits with Banks	100.00	-
Fixed Deposits with Banks Pledged as Margin Money	212.60	167.83
<b>TOTAL</b>	<b>312.60</b>	<b>167.83</b>

**NOTE: 11  
LOANS**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
(Unsecured, Considered Good)		
Loans to Employees #	3.33	15.13
Loans to Subsidiary Companies (Including Interest Receivable) (Refer Note No. 34) *	6.28	2.89
<b>TOTAL</b>	<b>9.61</b>	<b>18.02</b>

# Includes related parties (Refer Note No. 34)

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

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Holland Shielding Systems(India) Private Limited	-	0.42
Paras Aerospace Solutions Private Limited	0.16	0.12
Paras Green Optics Private Limited	-	0.17
Paras Strategic Technologies Private Limited	-	0.04

**NOTE: 12  
OTHER CURRENT FINANCIAL ASSETS**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
( Unsecured, Considered Good )		
Interest Receivables	14.98	6.71
Government Grant Receivables	30.66	44.58
Duty Drawback Receivable	17.91	0.09
Rent Receivable from Related Parties (Refer Note No. 34)	3.89	-
<b>TOTAL</b>	<b>67.44</b>	<b>51.38</b>

**NOTE: 13  
OTHER CURRENT ASSETS**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Advances to Suppliers		
Considered Good	1,093.78	505.46
Considered Doubtful	50.00	-
	1,143.78	505.46
Less : Provision for Doubtful	50.00	-
	1,093.78	505.46
Balances with Government Authorities	27.27	124.67
Export Incentive Receivables	47.02	42.87
Security Deposits	8.30	-
Others *	50.07	47.32
<b>TOTAL</b>	<b>1,226.44</b>	<b>720.32</b>

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

**NOTE: 14**  
**EQUITY SHARE CAPITAL**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Authorised</b> 4,53,85,000 ( Previous Year : 3,52,60,000) Equity Shares of Rs.10/- each.	4,538.50	3,526.00
<b>Issued, Subscribed and Paid up</b> 2,84,12,670 (Previous Year : 56,82,534) Equity Shares of Rs.10/- each fully paid up	<b>4,538.50</b>	<b>3,526.00</b>
	2,841.26	568.25
<b>TOTAL</b>	<b>2,841.26</b>	<b>568.25</b>

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

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	56,82,534	568.25	55,82,534	558.25
<b>Add:</b> Issue of Bonus Shares (Refer Note no. 14.2)	2,27,30,136	2,273.01	-	-
<b>Add:</b> Issued on conversion of Compulsorily Convertible Debentures (Refer Note No. 14.3)	-	-	1,00,000	10.00
<b>Shares outstanding at the end of the year</b>	<b>2,84,12,670</b>	<b>2,841.26</b>	<b>56,82,534</b>	<b>568.25</b>

**14.2** On 24th March, 2020, the Company issued and allotted 2,27,30,136 bonus equity shares of 10/- each to its shareholders by capitalizing Securities Premium of Rs. 2273.01 lakhs.

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

**14.4** 25,82,534 (Previous Year : 25,82,534) shares were allotted in last five years pursuant to the schemes of Amalgamation without payment received in cash.

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

Name of Shareholders	As at 31.03.2020		As at 31.03.2019	
	No of Shares held	Percentage held	No of Shares held	Percentage held
Mr. Sharad Virji Shah	85,24,840	30.00%	36,56,094	64.34%
Mr. Munjal Sharad Shah	97,42,630	34.29%	6,81,526	11.99%
Mrs. Ami Munjal Shah	19,41,580	6.83%	6,72,442	11.83%

**14.6 Rights of Equity Shareholders**

The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

**NOTE: 15  
OTHER EQUITY**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2019
<b>Capital Reserve</b>				
Balance as per last Balance Sheet		(808.36)		(808.36)
<b>Securities Premium</b>				
Balance as per last Balance Sheet	4,934.71		3,944.71	
<b>Add:</b> On Conversion of Compulsorily Convertible Debentures into Equity Shares	-		990.00	
<b>Less:</b> Utilised for issue of Bonus Shares (Refer Note No. 14.2)	2,273.01		-	
		<b>2,661.70</b>		4,934.71
<b>General Reserve</b>				
Balance as per last Balance Sheet		<b>11.92</b>		11.92
<b>Retained Earnings</b>				
Balance as per last Balance Sheet	6,399.54		4,496.01	
<b>Add:</b> Profit after tax for the year	1,996.69		1,903.53	
		<b>8,396.23</b>		6,399.54
<b>Revaluation Reserve</b>				
Balance as per last Balance Sheet		<b>4,183.09</b>		4,183.09
<b>Other Comprehensive Income ( OCI )</b>				
Balance as per last Balance Sheet	(46.01)		(2.25)	
<b>Add:</b> Movement in OCI (Net) during the year	60.09		(43.76)	
		<b>14.08</b>		(46.01)
<b>TOTAL</b>		<b>14,458.66</b>		<b>14,674.89</b>

**NOTE NO. 15.1 NATURE AND PURPOSE OF RESERVES****Capital Reserves**

The Capital Reserve was created pursuant to the scheme of amalgamation of Mechvac India Limited, Concept Shapers & Electronics Private Limited. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

**Securities Premium**

Securities Premium was created when shares were issued at premium. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

**General Reserve**

The General Reserve was created pursuant to the scheme of amalgamation and It shall be utilised in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings**

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

**Revaluation Reserve**

Revaluation Reserve was created for revaluation of Land and Building. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

**Other Comprehensive Income**

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

**NOTE: 16  
NON CURRENT BORROWINGS**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>		
<b>Term Loans</b>		
- From Banks *	2,562.60	2,590.47
- From Financial Institution *	1,017.16	1,040.56
- From Department of Scientific & Industrial Research of Government of India (DSIR)	95.28	188.88
<b>TOTAL</b>	<b>3,675.04</b>	<b>3,819.91</b>

\* Net of Processing Fees of Rs. 7.15 Lakhs (Previous Year Rs. 7.56 Lakhs)

**16.1** The Term loans from banks referred to above aggregating to Rs. 2563.92. Lakhs and Rs. 440.07 Lakhs included in current maturity of long Term Debts in Note No. 22 includes:

- (i) Rs.800.64 lakhs secured by way of Equitable mortgage of Land and Building on Plot no. M-6, Additional Ambarnath Industrial area, Ambarnath-421506, Maharashtra, India (Measuring 21569 sq mtrs) and further secured by collateral security of plant and machinery. The loan is repayable in 61 equal monthly installments ending in September 2025.
- (ii) Rs.204.23 lakhs secured by the Equitable mortgage of Shed constructed on Plot No. M6, MIDC Additional Ambarnath Industrial Area, situated at Village Jambivali, Ambarnath 421506 and further secured by collateral security of plant and machinery. The loan is repayable in 37 equal monthly installments ending in September 2023.
- (iii) Rs.159.61 lakhs secured by Hypothecation of Flow Forming Machine and further secured by collateral security of plant and machinery. The loan is repayable in 61 equal monthly installments ending in September 2025.
- (iv) Rs.75.84 lakhs hypothecated by Vacuume Epoxy Resin and Dosing Machine and further secured by collateral security of plant and machinery. The loan is repayable in 39 equal monthly installments ending in November 2023.
- (v) Rs. 272.82 lakhs secured by Equitable mortgage of Shed constructed on Plot No. M6, MIDC Additional Ambarnath Industrial Area, situated at Village Jambivali, Ambarnath 421506 and further secured by collateral security of plant and machinery present and future. The loan is repayable in 58 equal monthly installments ending in June 2025.
- (vi) Rs.1361.57 lakhs secured by Pari Passu Charge on all existing and future current assets / movable fixed assets of the Borrower with NKGsb Bank. Collateral Security of 1) Premises no. 103, 1st floor, veena industrial premises Co-operative Society Limited, Plot no. B-61, veera desai road, Andheri W, Mumbai 400058. 2) Unit no. 115, 1st floor, veena Industrial premises Co-operative Society Limited, Plot no. B 61, 400058. 3) Unit no. 209B, 2nd floor, veena Industrial premises Co-operative Society Limited, Plot no. B 61, 400058. 4) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 5) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076. The loan is repayable as follows.
  - The loan of Rs.216.38 Lakhs is repayable in 46 equal monthly installments ending in May 2024.
  - The loan of Rs.759.89 Lakhs is repayable in 36 equal monthly installments ending in July 2023.
  - The loan of Rs.194.13 Lakhs is repayable in 60 equal monthly installments ending in July 2025.
  - The loan of Rs.191.17 Lakhs is repayable in 34 equal monthly installments ending in May 2023.
- (vii) Rs.129.28 lakhs secured by the way of Hypothecation of specific vehicle financed. The loan is repayable in 6 to 60 equal monthly installments. The said vehicle loan accounts are in the name of directors / erstwhile director of the Company or of entities that has since been amalgamated with the company in pursuance to the scheme of amalgamation.



**16.2** The Term loans from financial institution referred to above aggregating to Rs. 1022.99 Lakhs and Rs. 103.93 included in current maturity of long Term Debts in Note No. 22 includes:

- (i) Rs.159.77 lakhs secured by the mortgage on 101, Kalinga Nirmal Nagar, MGLR, Dmart, Mulund (W), Mumbai 400080. owned by Mr. Sharad Shah. The loan is repayable in 143 equal monthly installments ending in July 2032.
- (ii) Rs.450.80 lakhs secured by 396/397A , TTC Industrial Area, Mahape, Navi Mumbai 400710. owned by Mr. Sharad Shah The loan is repayable in 180 equal monthly installments ending in March 2036.
- (iii) Rs.248.33 lakhs secured by Flat no. 604/605, Nirmal nagar kalinga CHSL, Nirmal nagar, Line road, D mart, Mulund W, Mumbai, Maharashtra Indian 400080. The loan is repayable in 240 equal monthly installments ending in January 2040.
- (iv) Rs.258.53 lakhs secured by way of hypothecation/exclusive charge on specific Equipment finance. The loan is repayable as follows:
  - The loan of Rs.23.07 Lakhs is repayable in 18 equal monthly installments ending in January 2022.
  - The loan of Rs.4.59 Lakhs is repayable in 1 equal monthly installments ending in April 2020.
  - The loan of Rs11.70 Lakhs is repayable in 4 equal monthly installments ending in December 2020.
  - The loan of Rs.84.72 Lakhs is repayable in 32 equal monthly installments ending in April 2023.
  - The loan of Rs.134.45 Lakhs is repayable in 21 equal monthly installments ending in May 2022.
- (v) Rs.9.49 lakhs secured by the way of Hypothecation of specific vehicle financed. The loan is repayable in 10 to 60 equal monthly installments. The said vehicle loan accounts are in the name of directors / erstwhile director of the Company or of entities that has since been amalgamated with the company in pursuance to the scheme of amalgamation.

**16.3** Term loan from DSIR of Rs. 95.28 Lakhs (includes Fair valuation of first interest installment of the term loan from DSIR of Rs. 15.28 Lakhs) and Rs. 93.60 lakhs included in current maturity of long term debts in note no 22 is covered by bank guarantees. The loan is repayable in 2 equal annual installments ending in July 2021.

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

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

**16.6 Maturity profile of Term Loans is as under: (Rs. in Lakhs)**

Financial Year	Amount	Financial Year	Amount	Financial Year	Amount
2020-2021	637.60	2027-2028	53.43	2034-2035	46.78
2021-2022	999.82	2028-2029	56.17	2035-2036	48.46
2022-2023	891.65	2029-2030	59.23	2036-2037	20.26
2023-2024	605.83	2030-2031	62.65	2037-2038	22.29
2024-2025	416.27	2031-2032	64.39	2038-2039	24.54
2025-2026	144.64	2032-2033	46.45	2039-2040	23.09
2026-2027	50.98	2033-2034	45.26		

**NOTE: 17  
LEASE LIABILITIES**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Lease Liabilities	10.12	-
<b>TOTAL</b>	<b>10.12</b>	<b>-</b>

**17.1: The following is the movement in lease liabilities during the year :**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening Balance</b>	-	-
Add: Addition during the year	19.73	-
Add: Finance cost accrued during the year	1.28	-
Less: Payment of lease liabilities	4.80	-
<b>Closing Balance</b>	<b>16.21</b>	-

**17.2: The following is the contractual maturity profile of lease liabilities:**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Less than one year	7.68	-
One year to Five years	11.35	-
More than five years	-	-
<b>Total</b>	<b>19.03</b>	-

**NOTE: 18  
NON CURRENT PROVISIONS**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Provision for Gratuity	129.62	168.83
<b>TOTAL</b>	<b>129.62</b>	<b>168.83</b>

**NOTE: 19  
INCOME TAX**

**19.1 Current Tax**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Current Tax	661.46	688.39
Income Tax for Earlier Years	0.41	(0.14)
<b>Total Current Tax</b>	<b>661.87</b>	<b>688.25</b>

**19.2 The major components of Tax Expense for the year ended 31st March, 2020 & March, 2019 are as follows:**

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Recognised in the Statement of Profit and Loss</b>		
Current Tax (Refer Note No. 19.1)	661.87	688.25
Deferred Tax:-Relating to origination and reversal of temporary differences	(448.78)	95.79
<b>Total Tax Expenses</b>	<b>213.09</b>	<b>784.04</b>

**19.3 Reconciliation between Tax Expense / (Income) and Accounting Profit multiplied by tax rate for the year ended 31st March, 2020 & 31st March, 2019:**

(Rs. in Lakhs)

PARTICULARS	For the Year ended	For the Year ended
	31.03.2020	31.03.2019
Accounting Profit Before Tax	2,209.78	2,687.57
Applicable tax rate (in %)	25.17%	27.82%
Computed Tax Expenses / (Income)	556.16	747.68
<b>Tax effect on account of:</b>		
Property, Plant and Equipment, Intangible Assets and Assets Held for Sale	2.64	5.52
Expenses not allowed under Income Tax Act	26.29	33.60
Deduction allowed under Income Tax Act	(3.46)	(3.97)
Change in Tax Regime (Refer Note No. 19.6)	(368.95)	-
Deduction under chapter VI A	-	(3.15)
Dividend Income	-	0.14
MAT Credit Entitlement	-	5.21
Non consideration of surcharge for MAT Credit	-	(3.18)
Rate Differences	-	2.05
Income Tax for Earlier Years	0.41	0.14
<b>Income tax Expenses / (Income) recognised in the Statement of Profit and Loss</b>	<b>213.09</b>	<b>784.04</b>

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

(Rs. in Lakhs)

PARTICULARS	Balance Sheet		Statement of Profit and Loss	
	As at 31st March, 2020	As at 31st March, 2019	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Property, Plant and Equipment, Intangible Assets and Assets Held for Sale	2,532.44	2,954.81	(422.37)	123.58
MAT Credit Entitlement	-	-	-	5.21
Items disallowed as per Income Tax Act, 1961	(182.82)	(176.62)	(6.20)	(50.98)
<b>Deferred Tax Liabilities / (Assets)</b>	<b>2,349.62</b>	<b>2,778.19</b>	<b>(428.57)</b>	<b>77.81</b>

**19.5 Reconciliation of Deferred Tax Liabilities (Net):**

(Rs. in Lakhs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
<b>Opening Balance at the beginning of the year</b>	2,778.19	2,700.38
Deferred Tax Expenses/(Income) recognised in the Statement of Profit and Loss	(448.78)	95.79
Deferred Tax Expenses/(Income) recognised in OCI	20.21	(17.98)
<b>Closing Balance at the end of the year</b>	<b>2,349.62</b>	<b>2,778.19</b>

**19.6** The Company has exercised the option permitted under section 115 BAA of the Income Tax Act, 1961 as introduced by the taxation Laws (Amendment) Ordinance, 2019. Accordingly the Company has recognised the tax provision for the year 31st March, 2020 and remeasured the deferred tax assets / Liabilities based on the rates prescribed in that section.

**NOTE: 20  
CURRENT FINANCIAL LIABILITES - BORROWINGS**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>		
Working Capital Rupee Loans from Banks	4,499.58	3,697.09
<b>Unsecured</b>		
Loans from Related Parties (Refer note no. 34)	1,431.44	50.17
Inter Corporate Deposits	42.01	45.33
	<b>1,473.45</b>	<b>95.50</b>
<b>TOTAL</b>	<b>5,973.03</b>	<b>3,792.59</b>

**20.1** The working capital Loans from banks includes:

- (i) Rs.1253.08 Lakhs secured by way of hypothecation of stocks & book-debts and further secured by collateral security of Plant & Machinery and Land & Building on plot no. M-6, MIDC, Additional Ambernath Industrial Area, Ambernath-421506, Maharashtra, India.
- (ii) Rs. 3246.28 Lakhs secured by Pari Passu Charge on all existing and future current assets / movable fixed assets and Collateral Security of 1) Premises no. 103, 1st floor, veena industrial premises Co-op soc. Ltd, Plot no. B-61, veera desai road, Andheri W, Mumbai 400058. 2) Unit no. 115, 1st floor, veena Industrial premises Co-op Soc Ltd, Plot no. B 61, 400058. 3) Unit no. 209B, 2nd floor, veena Industrial premises Co-op Soc Ltd, Plot no. B 61, 400058. 4) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 5) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076, 6) Additional Mortgage on Pentahouse No. 11, 13th & 14th floors, A Wing, Maruti Paradise, Sector No. 15 at CBD Belapur, Navi Mumbai - 400614 owned by Mr Munjal Shah.
- (iii) Rs. 0.22 Lakhs is secured by Fixed Deposits.

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

**NOTE: 21**  
**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Micro, Small and Medium Enterprises	698.74	727.51
Others	1,972.78	4,597.66
<b>TOTAL</b>	<b>2,671.52</b>	<b>5,325.17</b>

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

Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information as available with the Company and the required disclosures are given below :

Particulars	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	698.74	727.51
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	2.04	0.26
(iii) The amount of Interest paid, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of Interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.04	0.26
(vi) The amount of Further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**NOTE: 22**  
**CURRENT FINANCIAL LIABILITIES - OTHERS**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Current Maturities of Long Term Debts	637.60	875.09
Lease Liabilities- Current	6.09	-
Interest Accrued and due on Trade Payables	2.04	0.26
Interest Accrued and but not due	77.38	77.00
Creditors for Capital Goods	35.09	45.53
Other Payables *	127.44	113.03
<b>TOTAL</b>	<b>885.64</b>	<b>1,110.91</b>

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

**NOTE: 23**  
**OTHER CURRENT LIABILITIES**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Advances from Customers	88.17	142.46
Statutory Liabilities	515.77	18.34
<b>TOTAL</b>	<b>603.94</b>	<b>160.80</b>

**NOTE: 24**  
**CURRENT PROVISIONS**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Provision for Gratuity	15.34	15.05
<b>TOTAL</b>	<b>15.34</b>	<b>15.05</b>

**NOTE: 25**  
**REVENUE FROM OPERATIONS**

(Rs. in Lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Sale of Products	14,148.26	14,987.34
Sale of Services / Job Work Income	508.61	452.60
<b>TOTAL</b>	<b>14,656.87</b>	<b>15,439.94</b>

**25.1 Revenue Disaggregation by type of Products and Services as follows :**

(Rs. in Lakhs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Heavy Engineering	6,412.94	6,011.12
Defence Electronics	3,133.71	4,686.47
Defence & Space Optics	5,110.22	4,742.35
<b>TOTAL</b>	<b>14,656.87</b>	<b>15,439.94</b>

**25.2 Revenue disaggregation by geography is as follows:**

(Rs. in Lakhs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
India	12,865.93	13,905.17
Outside India	1,790.94	1,534.77
<b>TOTAL</b>	<b>14,656.87</b>	<b>15,439.94</b>

**25.3 Reconciliation of Revenue from Operations with Contract Price:**

(Rs. in Lakhs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Contract Price	14,662.06	15,442.18
Reduction towards variables considerations components *	5.19	2.24
<b>TOTAL</b>	<b>14,656.87</b>	<b>15,439.94</b>

\* The reduction towards variable consideration comprises of volume discounts.

**NOTE: 26**  
**OTHER INCOME**

(Rs. in Lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Interest Income from Financial assets measured at amortised cost		
On Fixed Deposits with Banks	20.43	12.34
On Others	3.94	4.15
Dividend Income from Financial assets measured at fair value through profit or loss		
Non-current Investments	0.50	0.50
Lease Rent	29.60	-
Gain on Foreign Currency Fluctuations (Net)	-	122.10
Export Incentives	52.85	128.84
Account Written Back (Net)	93.33	-
Miscellaneous Income	21.17	9.45
<b>TOTAL</b>	<b>221.82</b>	<b>277.38</b>

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

PARTICULARS	(Rs. in Lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
<b>Closing Inventories</b>		
Finished Goods	629.82	1,065.28
Work-in-Progress	3,060.23	2,475.74
<b>Opening Inventories</b>	<b>3,690.05</b>	<b>3,541.02</b>
Finished Goods	1,065.28	1,170.94
Work-in-Progress	2,475.74	1,206.11
	<b>3,541.02</b>	<b>2,377.05</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(149.03)</b>	<b>(1,163.97)</b>

**NOTE: 28****EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	(Rs. in Lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Salaries, Wages & Allowances	975.92	812.14
Contribution to Provident and Other Funds	49.71	31.82
Welfare and Other Amenities	62.80	53.78
<b>TOTAL</b>	<b>1,088.43</b>	<b>897.74</b>

**28.1 As per Ind AS - 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Ind AS**

(Rs. in Lakhs)

Particulars	2019-20	2018-19
<b>(a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under</b>		
Employer's Contribution to Provident Fund and ESIC	6.77	8.43

**(b) Defined Benefit Plan - Unfunded**

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

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Actuarial Assumptions</b>		
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Salary growth	FY 2020-21: 0% and thereafter 9%	7.50%
Discount rate	6.71%	7.76%
Withdrawal Rate	7.00%	2.50%

(Rs. in Lakhs)		
PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Movement in present value of Defined Benefit Obligation</b>		
Defined Benefit Obligations at the beginning of the year	183.88	98.74
Current Service Cost	28.07	15.47
Interest Cost	14.77	7.93
Actuarial Loss / (Gain)	(80.30)	61.74
Benefits Paid	(1.46)	-
<b>Defined Benefit Obligations at the end of the year</b>	<b>144.96</b>	<b>183.88</b>
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current Service Cost	28.07	15.47
Interest on Defined Benefit Obligations	14.77	7.93
<b>Total included in "Remuneration and Benefits to Employees"</b>	<b>42.84</b>	<b>23.40</b>
<b>Remeasurements (recognised in Other Comprehensive Income)</b>		
Effect of changes in financial assumptions	21.27	1.76
Effect of changes in demographic assumptions	5.79	-
Effect of experience adjustments	(107.36)	59.98
<b>Amount recognised in OCI, End of Year</b>	<b>(80.30)</b>	<b>61.74</b>

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

Present Value of Obligations at the end of the year	144.96	183.88
Less : Fair Value of Plan Assets at the end of the year	-	-
<b>Net Obligations / (Assets) recognised at the end of the year</b>	<b>144.96</b>	<b>183.88</b>

- (d) The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply and demand in the employment market. The above information is certified by the actuary.

**28.2 Sensitivity Analysis**

(Rs. in Lakhs)		
PARTICULARS	As at 31.03.2020	As at 31.03.2019
	Effect on Gratuity Increase / (Decrease)	Effect on Gratuity Increase / (Decrease)
Discount Rate + 100 basis points	(11.12)	(14.68)
Discount Rate - 100 basis points	12.87	16.49
Salary Escalation Rate + 100 basis points	8.02	6.35
Salary Escalation Rate - 100 basis points	(6.95)	(5.48)
Withdrawal Rate+100 basis points	0.62	6.39
Withdrawal Rate-100 basis points	(0.80)	(5.71)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the Projected Unit Credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.



**28.3 Expected payments towards contributions to Gratuity in future years :**

(Rs. in Lakhs)	
Year Ended	Expected Payment
31st March, 2021	15.84
31st March, 2022	11.00
31st March, 2023	10.98
31st March, 2024	10.27
31st March, 2025	11.14
31st March, 2026 to 2030	66.40

**28.4 Risk exposures**

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

**Salary Risk**

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

**Discount rate**

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

**Employee Turnover rate/Withdrawal rate**

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

**Mortality / Disability**

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

**NOTE: 29  
FINANCE COSTS**

(Rs. in Lakhs)		
PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Interest Expenses on Financial Liabilities measured at amortised cost	928.96	890.97
Interest Expenses on Lease Liabilities	1.28	-
Other Borrowing Costs	46.94	47.55
<b>TOTAL</b>	<b>977.18</b>	<b>938.52</b>

**29.1** Above includes, Interest of Rs. 63.81 Lakhs ( Previous Year Rs. 126.64 Lakhs) on late payment of Advance Tax.

**NOTE: 30  
DEPRECIATION AND AMORTISATION EXPENSES**

(Rs. in Lakhs)		
PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	916.05	891.16
Amortisation of Intangible Assets (Refer Note No. 3)	55.11	49.39
<b>TOTAL</b>	<b>971.16</b>	<b>940.55</b>

**NOTE: 31  
OTHER EXPENSES**

(Rs. in Lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
<b>MANUFACTURING EXPENSES</b>		
Consumables, Stores and Spares Consumed	123.14	157.16
Power and Fuel	244.46	218.26
Labour Charges	383.49	308.50
Repairs and Maintenance -		
Plant and Equipment	-	0.19
Others	14.43	16.94
Technical Services	0.01	17.73
Job Processing charges	152.25	-
Other Manufacturing Expenses	53.27	30.99
	<b>971.05</b>	<b>749.77</b>
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement and Business Promotion	150.89	206.96
Packing & Forwarding Expenses	19.31	14.01
Others	25.84	17.47
	<b>196.04</b>	<b>238.45</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Insurance	26.88	6.60
Rent	29.38	23.27
Rates and Taxes	55.27	45.28
Printing and Stationery	13.90	11.89
Communication Expenses	8.43	10.12
Travelling and Conveyance	243.81	269.10
Legal and Professional Charges	124.63	123.32
Payment to Auditors (Refer Note no. 31.1)	26.00	20.00
Security Expenses	32.38	16.81
Office Expenses	26.89	29.54
Director Sitting fees	38.00	11.00
Miscellaneous Expenses	114.90	72.36
	<b>740.47</b>	<b>639.29</b>
<b>OTHER EXPENSES</b>		
Bank Charges	43.95	36.56
Bad Debts / Advances written off	-	42.16
Loss due to Fraud (Refer Note no. 31.2)	20.36	-
Provision for Doubtful Advance	50.00	-
Provision for Expected Credit Loss	134.89	66.77
Investment in Subsidiary write off (Refer Note no. 31.3)	1.00	-
Donation	1.86	0.75
Corporate Social Responsibility Expenditure (Refer Note No. 35)	40.50	22.61
Loss on discard/Sale of Property, Plant and Equipment	7.94	5.39
Loss on Foreign Currency Fluctuations (Net)	41.02	-
Initial Public Offering Related Expenses	45.00	-
Late Delivery charges	89.61	62.78
	<b>476.13</b>	<b>237.02</b>
<b>TOTAL</b>	<b>2,383.69</b>	<b>1,864.52</b>

**31.1 Break-up of Payment to Auditors :****(Rs. in Lakhs)**

<b>Particulars</b>	<b>For the Year ended 31.03.2020</b>	<b>For the Year ended 31.03.2019</b>
Audit Fees	20.00	16.00
Tax Audit Fees	6.00	4.00
<b>TOTAL</b>	<b>26.00</b>	<b>20.00</b>

**31.2** During the year, the Company has lost Rs. 20.36 Lakhs due to a cyber fraud. The Company had placed an order for the supply of materials through an email, however the email was hacked and advance money transferred to an account which was not of the vendor to whom the order was placed. The Company has lodged a FIR with Turbhe MIDC Police Station for the same.

**31.3** The Board of Directors of the Holland Shielding Systems (India) Private Limited (wholly owned subsidiary) at their meeting held on March 17, 2020 has approved the resolution to make an application to the registrar of the Companies for removal of its name from the register of the companies. Accordingly, the subsidiary company has made an application effective from March 17, 2020 to the Registrar of the Companies, pursuant to section 248(2) of the Companies Act, 2013 and it has written off all its assets and written back all its liabilities. According, the Company has written off the investment in the subsidiary company.

**NOTE: 32**  
**EARNINGS PER SHARE**

**(Rs. in Lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2020</b>	<b>For the Year ended 31.03.2019</b>
<b>Basic Earnings Per Share</b>		
Profit for the year	1,996.69	1,903.53
Weighted average number of Equity Shares (Nos.)	2,84,12,670	2,81,14,040
Basic Earnings Per Share of Rs.10/- each	7.03	6.77
<b>Diluted Earnings Per Share</b>		
Amount available for calculation of Diluted EPS	1,996.69	1,903.53
Weighted average number of Equity Shares (Nos.)	2,84,12,670	2,81,14,040
Add : Potential number of Equity Shares	-	38,521
No. of shares used for calculation of Diluted EPS	2,84,12,670	2,81,52,560
Diluted Earnings Per Share of Rs.10/- each	7.03	6.76

**32.1:** The Company issued and allotted 2,27,30,136 bonus equity shares of Rs 10/- each on 24th March, 2020 to its shareholders by capitalizing Securities Premium. Accordingly, the Earning Per Share for the year ended 31st March, 2019 has been restated to give effect to the allotment of the bonus shares, in line with IND AS-33 "Earnings per Share".

## NOTE: 33 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>A Contingent Liabilities (to the extent not provided for)</b>		
<b>I INCOME TAX</b>		
<b>TOTAL (I)</b>	<b>14.06</b>	-
<b>II GUARANTEES</b>		
Guarantees given by the Company's Bankers (Bank guarantees are provided under contractual / legal obligation)	1,674.59	1,719.72
<b>TOTAL (II)</b>	<b>1,674.59</b>	<b>1,719.72</b>
<b>III LETTER OF CREDIT OUTSTANDING</b>		
Letters of Credit opened in favour of Suppliers	163.14	111.34
<b>TOTAL (III)</b>	<b>163.14</b>	<b>111.34</b>
<b>TOTAL (A)</b>	<b>1,851.79</b>	<b>1,831.06</b>
<b>B Capital Commitments :</b>		
Estimated amount of contracts to be executed on capital account not provided for	51.87	-
Commitment towards EPCG License	435.57	561.28
<b>TOTAL (B)</b>	<b>487.44</b>	<b>561.28</b>
<b>TOTAL (A+B)</b>	<b>2,339.23</b>	<b>2,392.34</b>

C. Management is of the view that the above litigations will not impact significantly the financial position of the company.

## NOTE: 34 RELATED PARTY DISCLOSURES

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

### List of Related Parties :

(As certified by the Management)

#### I Subsidiary

- i Holland Shielding Systems (India) Private Limited (Refer Note no. 31.3)
- ii Paras Aerospace Solutions Private Limited (w.e.f. 13th February, 2019)
- iii Paras Green Optics Private Limited (w.e.f. 29th October, 2018)
- iv Paras Strategic Technologies Private Limited (w.e.f. 25th February, 2019)
- v OPEL Technologies PTE Ltd (w.e.f. 2nd January, 2019)  
(Formerly known as Paras Space Technologies PTE Ltd)

#### II Key Managerial Personnel

- i Mr. Sharad Shah
- ii Mr. Munjal Sharad Shah
- iii Mrs. Shilpa Amit Mahajan (w.e.f. 25th June, 2018)
- iv Mr. Prasantamadhab Barua (From 20th August, 2018 to 3rd November, 2018)
- v Mrs. Mansi Sharma (From 20th August, 2018 to 1st March, 2019)
- vi Mrs. Ami Munjal Shah (upto 25th September, 2018)
- vii Mr. Harsh Bhansali (w.e.f. 24.03.2020)
- viii Mr. Ajit Sharma (w.e.f. 05.04.2019)

#### III Key Managerial Personnel Relatives

- i Mrs. Ami Munjal Shah
- ii Mrs. Niranjana Shah
- iii Mrs. Kajal Bhansali
- iv Mr. Anish Mehta
- v Mr. Amit Mahajan
- vi Mr. Harsh Bhansali (upto 23.03.2020)

**A. Transactions with Related Parties :****(Rs. in Lakhs)**

<b>Nature of Transactions</b>	<b>Name of the Related Parties</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Transactions with Subsidiaries:</b>			
<b>Investment in Shares</b>	Paras Aerospace Solutions Private Limited	-	1.00
	Paras Green Optics Private Limited	-	1.00
	Paras Strategic Technologies Private Limited	-	1.00
	OPEL Technologies PTE Ltd	-	0.05
<b>Loan to Subsidiaries</b>	Holland Shielding Systems (India) Private Limited	-	5.07
	Paras Aerospace Solutions Private Limited	2.71	0.12
	Paras Green Optics Private Limited	-	4.34
	Paras Strategic Technologies Private Limited	-	0.04
	OPEL Technologies PTE Ltd	3.38	2.12
<b>Loan Recovered From Subsidiaries</b>	Holland Shielding Systems (India) Private Limited	-	5.00
	Paras Green Optics Private Limited	-	4.19
	Paras Aerospace Solutions Private Limited	2.83	-
<b>Interest Income</b>	Holland Shielding Systems (India) Private Limited	-	0.35
	Paras Aerospace Solutions Private Limited	0.16	0.00
	Paras Green Optics Private Limited	-	0.02
	Paras Strategic Technologies Private Limited	-	0.00
	OPEL Technologies PTE Ltd	0.61	0.00
<b>Income - Lease Rent</b>	Holland Shielding Systems (India) Private Limited	9.00	-
	Paras Green Optics Private Limited	9.50	-
	Paras Strategic Technologies Private Limited	11.10	-
<b>Investment Written Off</b>	Holland Shielding Systems (India) Private Limited	1.00	-
<b>Sale of Products</b>	OPEL Technologies PTE Ltd	2.44	-
<b>Transactions with other Related Parties:</b>			
<b>Advance Against Property</b>	Mr. Munjal Sharad Shah	-	146.00
<b>Advance return back on the cancellation of contract</b>	Mr. Munjal Sharad Shah	-	146.00
<b>Director Sitting Fees</b>	Mr. Sharad Shah	13.00	7.00

(Rs. in Lakhs)

<b>Managerial Remuneration</b>	Mr. Munjal Sharad Shah	62.74	39.00
	Mrs. Shilpa Amit Mahajan	13.02	12.00
	Mr. Sharad Shah	-	9.00
	Mrs. Ami Munjal Shah	-	7.50
	Mrs. Mansi Sharma	-	3.44
	Mr. Prasanta Barua	-	5.89
	Mr. Harsh Bhansali	0.26	-
	Mr. Ajit Sharma	9.54	-
<b>Salary to Relatives</b>	Mr. Harsh Bhansali	12.71	12.00
	Mrs. Kajal Bhansali	13.38	10.50
	Mrs. Ami Munjal Shah	31.91	15.00
	Mr. Amit Mahajan	12.24	12.00
	Mr. Anish Mehta	4.36	3.35
<b>Advance to Employee Given</b>	Mr. Harsh Bhansali	6.51	-
	Mrs. Ami Munjal Shah	4.00	-
	Mr. Anish Mehta	2.76	-
<b>Advance to Employee Recovered</b>	Mr. Harsh Bhansali	6.51	-
	Mrs. Ami Munjal Shah	4.00	-
<b>Rent Expense</b>	Mr. Munjal Sharad Shah	0.40	-
<b>Loans Taken</b>	Mr. Munjal Sharad Shah	2425.25	293.00
	Mr. Sharad Shah	92.48	63.58
<b>Loans Repaid</b>	Mr. Munjal Sharad Shah	1,017.05	298.38
	Mr. Sharad Shah	119.41	18.68
	Mrs. Ami Munjal Shah	-	1.10

(Rs. in Lakhs)

Name of the Related Parties	As at 31st March, 2020	As at 31st March, 2019
<b>B. Balances with Subsidiary Companies:</b>		
<b>Investment</b>		
Holland Shielding Systems (India) Private Limited (Refer Note no. 31.3)	-	1.00
Paras Aerospace Solutions Private Limited	1.00	1.00
Paras Green Optics Private Limited	1.00	1.00
Paras Strategic Technologies Private Limited	0.05	0.05
OPEL Technologies PTE Ltd		
<b>Loans</b>		
Paras Aerospace Solutions Private Limited	-	0.12
OPEL Technologies PTE Ltd	5.52	2.14
<b>Loans to Subsidiaries - Interest Receivables</b>		
Holland Shielding Systems(India) Private Limited	-	0.42
Paras Strategic Technologies Private Limited	-	0.04
Paras Green Optics Private Limited	-	0.17
Paras Aerospace Solutions Private Limited	0.16	-
OPEL Technologies PTE Ltd	0.60	-
<b>Trade Receivables</b>		
OPEL Technologies PTE Ltd	2.60	-
<b>Rent Receivables</b>		
Paras Green Optics Private Limited	1.62	-
Paras Strategic Technologies Private Limited	2.27	-
<b>Balance with other Related Parties:</b>		
<b>Advance to Employee Given</b>		
Mr. Anish Mehta	2.76	
<b>Current-Borrowings - Loan</b>		
Mr. Munjal S. Shah	1,413.47	5.27
Mr. Sharad Virji Shah	17.97	44.90
<b>Other Payable (Rent Payable)</b>		
Mr. Munjal S. Shah	0.40	-
<b>Other Payables (Salary &amp; Sitting Fees Payable)</b>		
Mr. Munjal S. Shah	6.18	0.88
Mr. Sharad Virji Shah	-	2.79
Mrs. Ami Munjal Shah	1.49	2.18
Mrs. Shilpa Mahajan	0.89	0.49
Mr. Harsh Bhansali	0.97	1.84
Mrs. Kajal Bhansali	2.29	4.23
Mr. Amit Mahajan	0.89	0.82
Mr. Anish Mehta	0.28	0.28
Mr. Ajit Sharma	0.85	-
Mr. Sharad Virji Shah	0.31	-

(Rs in Lakhs)

C. Compensation to Key Management Personnel of the Company	2019-20	2018-19
<b>Nature of transaction</b>		
Short-term employee benefits	85.56	76.83
Post-employment benefits	8.13	8.64
<b>Total compensation to Key Management Personnel</b>	<b>93.69</b>	<b>85.47</b>

### NOTE: 35 EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII.

- CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs.40.05 lakhs (Previous year : Rs 22.47 Lakhs)
- Expenditure incurred related to Corporate Social Responsibility is Rs. 40.50 Lakhs (Previous year : Rs 22.61 Lakhs)

#### Details of Expenditure incurred towards CSR given below:

(Rs in Lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Environmental Sustainability and Animal Welfare	3.00	18.76
Health Care, Sanitation and providing Drinking Water	37.00	3.34
Promotion and Development of Traditional Art and Culture, Community Welfare	-	0.51
Rural Development	0.50	-
<b>TOTAL</b>	<b>40.50</b>	<b>22.61</b>

## NOTE: 36 FAIR VALUES

### 36 Financial Instruments by category:

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

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

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Financial Assets designated at Fair Value through profit and loss:-</b>		
- Investments	5.00	5.00

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value (Rs in Lakhs)
<b>Financial Assets :</b>				
<b>Financial Assets designated at Amortised Cost:-</b>				
- Trade Receivable	9,725.78	9,725.78	8,322.72	8,322.72
- Cash and cash equivalents	119.92	119.92	12.34	12.34
- Bank Balance other than Cash and Cash Equivalents	312.60	312.60	167.83	167.83
- Loans	9.61	9.61	18.02	18.02
- Others	91.47	91.47	93.81	93.81
<b>TOTAL</b>	<b>10,259.38</b>	<b>10,259.38</b>	<b>8,614.72</b>	<b>8,614.72</b>
<b>Financial Liabilities :</b>				
<b>Financial Liabilities designated at Amortised Cost:-</b>				
- Borrowings	9,648.07	9,648.07	7,612.50	7,612.50
- Lease Liabilities	10.12	10.12	-	-
- Trade Payable	2,671.52	2,671.52	5,325.17	5,325.17
- Other Financial Liabilities	885.64	885.64	1,110.91	1,110.91
<b>TOTAL</b>	<b>13,215.35</b>	<b>13,215.35</b>	<b>14,048.58</b>	<b>14,048.58</b>

### 36.2 Fair Valuation techniques used to determine Fair Value

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

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

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

### 36.3 Fair Value Hierarchy

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

- Level 1:-** Quoted prices / published Net Assets Value (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the Balance Sheet date and financial instruments like mutual funds for which Net Assets Value is published by mutual fund operators at the Balance Sheet date.



- ii) **Level 2 :-** Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- iii) **Level 3 :-** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

PARTICULARS	31.03.2020		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>	-	-	5.00
<b>Financial Assets designated at Fair Value through profit and loss:- Investments #</b>			
PARTICULARS	31.03.2019		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>	-	-	5.00
<b>Financial Assets designated at Fair Value through profit and loss:- Investments #</b>			

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

### NOTE: 37 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the Board of Directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk / benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties (e.g. Audit committee, Board etc.). The results of these activities ensure that risk management plan is effective in the long term.

#### 37.1 Market Risk and Sensitivity:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise two types of risk: foreign currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The sensitivity analysis relate to the position as at 31st March, 2020 and 31st March, 2019.

##### Foreign Currency Exchange Risk and Sensitivity

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD and Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign currency exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

The following table demonstrates the sensitivity in the USD, GBP, SGD and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax (PBT) due to changes in the fair values of monetary assets and liabilities is given below:

Unhedged Foreign currency exposure as at 31st March, 2020	Currency	Amount in FC	Rs. in lakhs
Trade Receivable	USD	24,73,869	1,871.85
Trade Receivable	EURO	95,902	79.38
Trade Payable	USD	15,51,478	1,173.93
Trade Payable	EURO	19,642	16.26
Trade Payable	SGD	800	0.42
Trade Payable	GBP	4,318	4.04
Unhedged Foreign currency exposure as at 31st March, 2019	Currency	Amount in FC	Rs. in lakhs
Trade Receivable	USD	6,70,240	463.50
Trade Payable	USD	8,71,418	602.63
Trade Payable	EURO	12,972	10.08
Trade Payable	SGD	800	0.41
Trade Payable	GBP	8,967	8.12

a) **Foreign Currency Sensitivity**

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

(Rs. in Lakhs)

Particulars	2019-20		2018-19	
	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)
USD	13.96	(13.96)	(2.78)	2.78
EURO	1.26	(1.26)	(0.20)	0.20
GBP	(0.08)	0.08	(0.16)	0.16
SGD	(0.01)	0.01	(0.01)	0.01
<b>Increase / (Decrease) in Profit Before Tax</b>	<b>15.13</b>	<b>(15.13)</b>	<b>(3.15)</b>	<b>3.15</b>

b) **Interest Rate Risk and Sensitivity**

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

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

(Rs. in Lakhs)

Particulars	2019-20		2018-19	
	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)
Working Capital Facility	(89.99)	89.99	(73.94)	73.94
Term Loan From Banks	(79.82)	79.82	(85.07)	85.07
<b>Increase / (Decrease )in Profit Before Tax</b>	<b>(169.81)</b>	<b>169.81</b>	<b>(159.01)</b>	<b>159.01</b>

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

**37.2 Credit Risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

a) **Trade Receivables**

The Company measures the expected credit loss of trade receivables, which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

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

(Rs. in Lakhs)

Particulars	31st March, 2020		31st March, 2019	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	10,225.18	499.40	8,687.23	364.51

Particulars	31st March, 2020	31st March, 2019
Opening Balances	364.51	297.74
Provided during the year	134.89	66.77
<b>Closing Balances</b>	<b>499.40</b>	<b>364.51</b>

b) **Financial Instruments and Cash Deposits**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Company's finance department. Investment of surplus funds are also managed by finance department. The Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, the finance department assesses and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

**37.3 Liquidity Risk**

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

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

(Rs. in Lakhs)

Particulars	Maturity				Total
	On Demand	Less Than 1 year	1 to 5 years	More Than 5 years	
As at 31st March, 2020					
Non Current Borrowings	-	-	2,913.57	768.62	3,682.19
Lease Liabilities	-	-	10.12	-	10.12
Short Term Borrowings	5,973.03	-	-	-	5,973.03
Trade Payable	-	2,671.52	-	-	2,671.52
Other Financial Liabilities	-	885.64	-	-	885.64
<b>Total</b>	<b>5,973.03</b>	<b>3,557.16</b>	<b>2,923.69</b>	<b>768.62</b>	<b>13,222.50</b>
As at 31st March, 2019					
Non Current Borrowings	-	-	2,901.29	926.18	3,827.47
Short Term Borrowings	3,792.59	-	-	-	3,792.59
Trade Payable	-	5,325.17	-	-	5,325.17
Other Financial Liabilities	-	1,110.91	-	-	1,110.91
<b>Total</b>	<b>3,792.59</b>	<b>6,436.08</b>	<b>2,901.29</b>	<b>926.18</b>	<b>14,056.14</b>

**37.4 Competition and Price Risk**

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

**NOTE: 38  
CAPITAL RISK MANAGEMENT**

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

The Company monitors capital using gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances, non current bank deposits. Equity comprises all components including other comprehensive income.

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

(Rs. in Lakhs)

PARTICULARS	As at	As at
	31.03.2020	31.03.2019
Total Debt	10,292.81	8,495.15
Less: Cash and cash equivalent	119.92	12.34
Less: Other Bank Balances	312.60	167.83
Less: Non current Bank Deposits	24.03	42.43
<b>Net Debt</b>	<b>9,836.26</b>	<b>8,272.55</b>
Equity	17,299.92	15,243.14
<b>Total Capital (Equity + Net Debts)</b>	<b>27,136.17</b>	<b>23,515.69</b>
Gearing ratio	<b>36.25%</b>	<b>35.18%</b>

**NOTE: 39**  
**DETAILS OF LOAN GIVEN, INVESTMENT MADE AND CORPORATE GUARANTEE GIVEN**  
**COVERED U/S 186(4) OF THE COMPANIES ACT, 2013.**

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Investment Made</b>		
Holland Shielding Systems (India) Private Limited (Refer Note No. 31.3)	-	1.00
Paras Aerospace Solutions Private Limited	1.00	1.00
Paras Green Optics Private Limited	1.00	1.00
Paras Strategic Technologies Private Limited	1.00	1.00
OPEL Technologies PTE Ltd	0.05	1.00
<b>Loan to Subsidiaries Company *</b>		
Holland Shielding Systems (India) Private Limited	-	0.42
Paras Aerospace Solutions Private Limited	0.16	0.12
Paras Green Optics Private Limited	-	0.17
Paras Strategic Technologies Private Limited	-	0.04
OPEL Technologies PTE Ltd	6.12	2.14

\* Above loan given for business purpose

**NOTE: 40**

The outbreak of the Corona Virus Diseases 2019 ('COVID-19') spread throughout the world and became a global Pandemic. The pandemic triggered a significant downturn globally and the challenging market conditions could continue for an extended period of time. From end of March 2020, offices and manufacturing facilities were shut down to contain the spread of COVID-19 and maintain the well-being of employees and stakeholders, including customers. The Company Started its offices and Manufacturing facilities from May 2020 at lower capacity as per the instruction of the State/Local Government. The duration of the production and supply chain disruptions, and their related financial impacts, cannot be determined at this juncture.

In assessing the recoverability of assets such as Investments, Inventories, Trade receivables, etc. the Company has considered the internal and external information. The Company has performed the sensitivity analysis on the assumptions used basis the internal and external information and expects to recover the carrying amount of assets.

**NOTE: 41**  
**ASSETS HELD FOR SALE**

(Rs. in Lakhs)

Description of the assets held for sale	As at 31st March, 2020	As at 31st March, 2019
Flat - Guest House	250.66	-
<b>Total</b>	<b>250.66</b>	-

41.1 During the year, the Board of Director of the Company at its meeting held on 19th December, 2019 have decided to sell above mentioned assets and accordingly, those assets are classified as assets held for sale.

## NOTE: 42 GROUP INFORMATION

	Name	Principal Place of Business	% Equity interest	
			As at 31st March, 2020	As at 31st March, 2019
A	<b>Indian subsidiaries</b>			
	Holland Shielding Systems (India) Private Limited (Refer Note 31.3)	India	-	100%
	Paras Aerospace Solutions Private Limited	India	100%	100%
	Paras Green Optics Private Limited	India	100%	100%
	Paras Strategic Technologies Private Limited	India	100%	100%
B	<b>Overseas subsidiaries</b>			
	OPEL Technologies PTE Ltd (Formerly known as Paras Space Technologies PTE Ltd)	Singapore	100%	100%

## NOTE: 43 PROVISION

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

Movement in provisions:-

(Rs. in Lakhs)

Nature of Division	Provision for Expected Credit loss	Provision for Doubtful Advance	Provision for Stamp Duty	Total
<b>As at 31st March, 2018</b>	<b>297.74</b>	-	<b>35.00</b>	<b>332.74</b>
Provision during the Year	66.77	-	-	66.77
Payment during the Year	-	-	(35.00)	(35.00)
<b>As at 31st March, 2019</b>	<b>364.51</b>	-	-	<b>364.51</b>
Provision during the Year	134.89	50.00	-	184.89
<b>As at 31st March, 2020</b>	<b>499.40</b>	<b>50.00</b>	-	<b>549.40</b>

## NOTE: 44

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

## NOTE: 45 SEGMENT REPORTING

A) **Segment information as per Indian Accounting Standard - 108 - "Operating Segments" :**  
The chief operating decision maker ( CODM ) has identified following reportable segments of its business.

- a. Heavy Engineering
- b. Defence & Space Optics
- c. Defence Electronics

I) **Segment Wise Revenue**

(Rs. in Lakhs)

Particulars	For the Year ended	
	31st March, 2020	31st March, 2019
<b>Segment Revenue</b>		
a) Heavy Engineering	6,412.94	6,011.12
b) Defence & Space Optics	5,110.22	4,742.35
c) Defence Electronics	3,133.71	4,686.47
<b>Revenue From Operations</b>	<b>14,656.87</b>	<b>15,439.94</b>
<b>Segment Results</b>		
a) Heavy Engineering	1,149.96	1,046.79
b) Defence & Space Optics	3,403.89	3,462.82
c) Defence Electronics	307.19	838.27
<b>Total</b>	<b>4,861.04</b>	<b>5,347.88</b>
I) Finance Costs	(977.18)	(938.52)
ii) Other unallocable expenditure	(1895.90)	(1,999.17)
iii) Unallocable Income	221.82	277.38
<b>Profit before exceptional items and Tax</b>	<b>2,209.78</b>	<b>2,687.57</b>
Exceptional items	-	-
<b>Profit Before Tax</b>	<b>2,209.78</b>	<b>2,687.57</b>

II) **Segment wise Assets and Liabilities**

(Rs. in Lakhs)

Particulars	As at	
	31st March, 2020	31st March, 2019
<b>Segment Assets</b>		
a) Heavy Engineering	14,249.12	14,148.95
b) Defence & Space Optics	11,429.47	9,897.35
c) Defence Electronics	4,786.75	5,389.61
d) Unallocable	3,724.90	3,540.13
<b>Total</b>	<b>34,190.24</b>	<b>32,976.04</b>
<b>Segment Liabilities</b>		
a) Heavy Engineering	759.12	1,810.98
b) Defence & Space Optics	1,039.36	3,008.02
c) Defence Electronics	936.15	618.05
d) Unallocable	14,155.69	12,295.85
<b>Total</b>	<b>16,890.32</b>	<b>17,732.90</b>

## III) OTHER INFORMATIONS

Particulars	(Rs. in Lakhs)	
	As at	
	31st March, 2020	31st March, 2019
Capital Expenditure	439.97	965.62
Depreciation	971.16	940.55
Non-cash Expenses other than Depreciation	184.89	66.77

## B) Segment Identification, Reportable Segments and definition of each segment :

## a) Reportable Segments:

The Company's operating segments are established on the basis of those components that are evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and in assessing performance. These have been identified and reported taking into account the differing risks and returns, nature of products, the organisational structure and the internal reporting system of the Company.

## b) Primary / Secondary Segment Reporting Format:

- i) The risk-return profile of the company's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.
- ii) Since all the operations of the company are predominantly conducted within India, there are no separate reportable segments.
- iii) No Non-Current Assets of the Company is located outside India as on 31st March, 2020 and 31st March 2019.

## iv) Segment Composition:

- a) Heavy Engineering segment is engaged in manufacture and sale of Flow Formed Rockets/ Missile Motor Tubes, Radar Array cooling assemblies for Naval Applications, Turnkey projects.
- b) Defence & Space Optics Segment comprises of manufacture and sale of Infra Red Lenses for Night Vision Devices, Space Optics/Gratings/Mirrors, Reflex Sights, Precision Diamond Turned components.
- c) Defence Electronics Segment comprises of Defence Automation & Control systems, Rugged Command & Control Consoles and EMP Solutions.

## v) Information about major customers:

- a) Revenue from operations include Rs. 9427.42 Lakhs (31st March, 2019 : Rs 5210.65 Lakhs) from four customers (31st March, 2019: two customers) having more than 10% of the total revenue.

**NOTE : 46**

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

As per our report of even date

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

For and on behalf of the Board of Directors

**MUNJAL SHAH**

Managing Director

DIN: 01080863

**SHARAD SHAH**

Chairman and Director

DIN: 00622001

**R. KORIA**

Partner

Membership No. 35629

**HARSH BHANSALI**

Chief Financial Officer

**AJIT SHARMA**

Company Secretary

Membership No. F10165

**Place: Mumbai**

**Date : 14th September, 2020**



## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF**

**PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### Opinion

We have audited the accompanying Consolidated Financial Statements of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance sheet as at March 31, 2020, and the Statement of Consolidated Profit and Loss (including Other Comprehensive Income), the Statement of Consolidated Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020 and their consolidated profit including other comprehensive income, the consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other

ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

### Emphasis of Matter

We draw your attention to the Note no. 39 to the Consolidated Financial Statements, which describes the uncertainties related to COVID-19 Pandemic and its consequential effects on the affairs of the Group.

Our opinion is not modified in respect of this matter.

### Other Information

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

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and



fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and the consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditors' Responsibility for the audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material

misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the Consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

### Other Matter

We did not audit the financial statements of one subsidiary, incorporated in Singapore, whose

financial statements reflect total assets of Rs. 48.44 Lakhs as at March 31, 2020, total revenues of Rs. 49.85 Lakhs and net cash inflows amounting to Rs. 0.21 Lakh for the year ended on that date. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion above on the consolidated financial statements is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit of the Holding Company and its subsidiaries, companies incorporated in India, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c. The Consolidated Balance Sheet, the Statement of Consolidated Profit and Loss (Including other comprehensive income), the Statement of Consolidated Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS prescribed under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company and its subsidiaries, companies incorporated in India, as on March 31, 2020 and taken on record by the Board of Directors of the Holding Company and its subsidiaries,

companies incorporated in India, none of the directors of the Holding Company and its subsidiaries, companies incorporated in India, 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 and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**, which is based on our reports of the Holding Company and subsidiaries, companies incorporated in India, to whom internal financial controls over financial reporting is applicable.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group as referred to in Note No. 33 to the Consolidated Financial Statements;
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, companies incorporated in India.

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

**R. KORIA**  
**Partner**  
 Membership No. 35629  
 UDIN No.: 20035629AAAAHD2737

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on Consolidated Financial Statements of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED for the year 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 DEFENCE AND SPACE TECHNOLOGIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries, which are companies incorporated in India, as of March 31, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiaries, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards of Auditing prescribed under Section 143(10) of the 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 to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2020, except in respect of Holding Company's allocation of overheads for determination of the costs of its Defence and Space Optics products and KYC related to alteration of Customers and Vendors details, which need to be further strengthen, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**R. KORIA**  
**Partner**  
 Membership No. 35629  
 UDIN No.: 20035629AAAAHD2737

**Mumbai**  
**Date: September 14, 2020**

## CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2020

(Rs. in Lakhs)

	PARTICULARS	Note No.	As at 31.03.2020		As at 31.03.2019	
<b>I.</b>	<b>ASSETS</b>					
<b>1)</b>	<b>Non Current Assets</b>					
(a)	Property, Plant and Equipment	2	15,578.76		16,588.77	
(b)	Capital Work in Progress	2	490.50		262.95	
(c)	Intangible Assets	3	204.44		240.47	
(d)	Financial Assets					
	i) Investments	4	5.00		5.00	
	ii) Other Financial Assets	5	28.13		42.43	
(e)	Other Non Current Assets	6	140.90	<b>16,447.73</b>	87.07	<b>17,226.69</b>
<b>2)</b>	<b>Current Assets</b>					
(a)	Inventories	7	6,043.02		6,452.70	
(b)	Financial Assets					
	i) Trade Receivables	8	9,759.99		8,322.72	
	ii) Cash and Cash Equivalents	9	125.36		17.88	
	iii) Bank Balances other than (ii) above	10	312.60		167.83	
	iv) Loans	11	3.33		15.14	
	v) Other Financial Assets	12	63.56		51.37	
(c)	Other Current Assets	13	1,232.37		720.31	
			<b>17,540.23</b>		<b>15,747.95</b>	
(d)	Assets held for Sale	40	250.66	<b>17,790.89</b>	-	<b>15,747.95</b>
				<b>34,238.62</b>		<b>32,974.64</b>
	<b>TOTAL ASSETS</b>					
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>					
	<b>EQUITY</b>					
(a)	Equity Share Capital	14	2,841.26		568.25	
(b)	Other Equity	15	14,421.03		14,668.40	
	<b>TOTAL EQUITY</b>			<b>17,262.29</b>		<b>15,236.65</b>
	<b>LIABILITIES</b>					
<b>1)</b>	<b>Non Current Liabilities</b>					
(a)	Financial Liabilities					
	i) Borrowings	16	3,675.04		3,819.91	
	ii) Lease Liabilities	17	10.12		-	
(b)	Provisions	18	129.62		168.83	
(c)	Deferred Tax Liabilities (Net)	19	2,349.62	<b>6,164.40</b>	2,778.19	<b>6,766.93</b>
<b>2)</b>	<b>Current Liabilities</b>					
(a)	Financial Liabilities					
	i) Borrowings	20	6,019.71		3,792.59	
	ii) Trade Payables	21				
	Total Outstanding dues of Micro enterprises and small enterprises		698.70		726.95	
	Total Outstanding dues of creditors other than Micro enterprises and small enterprises		2,005.56		4,598.22	
	iii) Other Financial Liabilities	22	891.24		1,116.00	
(b)	Other Current Liabilities	23	604.51		160.80	
(c)	Provisions	24	15.34		15.05	
(d)	Current Tax Liabilities (Net)		576.87	<b>10,811.93</b>	561.45	<b>10,971.06</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>			<b>34,238.62</b>		<b>32,974.64</b>
	Significant Accounting Policies	1				
	Notes to the Consolidated Financial Statements	2 to 46				

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

For and on behalf of the Board of Directors

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

**MUNJAL SHAH**  
Managing Director  
DIN: 01080863

**SHARAD SHAH**  
Chairman and Director  
DIN: 00622001

Place: Mumbai  
Date: 14th September, 2020

**HARSH BHANSALI**  
Chief Financial Officer

**AJIT SHARMA**  
Company Secretary  
Membership No. F10165

**CONSOLIDATED STATEMENT OF PROFIT & LOSS**

FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)

	PARTICULARS	Note No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
1	Revenue From Operations	25	14,704.28	15,439.94
2	Other Income	26	200.78	277.01
3	<b>Total Income (1+2)</b>		<b>14,905.06</b>	<b>15,716.95</b>
4	<b>Expenses</b>			
	Cost of Materials Consumed		7,397.48	9,552.39
	Purchases of Stock In Trade		43.14	-
	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	27	(158.10)	(1,163.97)
	Employee Benefits Expense	28	1,096.40	897.74
	Finance Costs	29	977.27	938.52
	Depreciation and Amortisation Expense	30	971.19	940.55
	Other Expenses	31	2,398.46	1,870.63
	<b>Total Expenses</b>		<b>12,725.84</b>	<b>13,035.86</b>
5	<b>Profit Before Exceptional Items and Tax (3-4)</b>		<b>2,179.22</b>	<b>2,681.09</b>
6	Exceptional Items		-	-
7	<b>Profit Before Tax (5-6)</b>		<b>2,179.22</b>	<b>2,681.09</b>
8	<b>Tax Expenses :</b>	19		
	Current Tax		661.85	688.39
	Deferred Tax		(448.78)	95.79
	Income Tax for Earlier Years		0.41	(0.13)
			<b>213.48</b>	<b>784.05</b>
9	<b>Profit for the Year (7-8)</b>		<b>1,965.74</b>	<b>1,897.04</b>
10	<b>Other Comprehensive Income</b>			
(i)	<b>Items that will not be reclassified to profit or loss</b>			
	Remeasurement Losses / (Gains) on Defined Benefit Plans		(80.30)	61.74
	Tax Effect on above		20.21	(17.98)
(ii)	<b>Items that will be reclassified to Profit or Loss</b>			
	Exchange differences in translating the financial statement of a foreign operation		0.19	0.00
	<b>Total Other Comprehensive Income (Net of Tax)</b>		<b>(59.90)</b>	<b>43.76</b>
	<b>Total Comprehensive Income for the year (9-10)</b>		<b>2,025.64</b>	<b>1,853.28</b>
	<b>Profit attributable to owners of the company</b>		<b>1,965.74</b>	<b>1,897.04</b>
	<b>Other Comprehensive Income attributable to owners of the company</b>		<b>(59.90)</b>	<b>43.76</b>
	<b>Total comprehensive income attributable to owners of the company</b>		<b>2,025.64</b>	<b>1,853.28</b>
11	<b>Earnings per Equity Share of Rs. 10/- each</b>	32		
	Basic (Rs.)		6.92	6.75
	Diluted (Rs.)		6.92	6.74
	Significant Accounting Policies	1		
	Notes to the Consolidated Financial Statements	2 to 46		

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

For and on behalf of the Board of Directors

**MUNJAL SHAH**  
Managing Director  
DIN: 01080863

**SHARAD SHAH**  
Chairman and Director  
DIN: 00622001

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

**HARSH BHANSALI**  
Chief Financial Officer

**AJIT SHARMA**  
Company Secretary  
Membership No. F10165

**Place:** Mumbai  
**Date:** 14th September, 2020

## STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. EQUITY SHARE CAPITAL		(Rs. in Lakhs)						
PARTICULARS	Balance as at 31 <sup>st</sup> March, 2018	Changes during 2018-19	Balance as at 31 <sup>st</sup> March, 2019	Changes during 2019-20	Balance as at 31 <sup>st</sup> March, 2020			
Equity Share Capital	558.25	10.00	568.25	2,273.01	2,841.26			
B. OTHER EQUITY		(Rs. in Lakhs)						
PARTICULARS	Reserves and Surplus			Item of Other Comprehensive Income		Total		
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Revaluation Reserve		Foreign Currency Translation Reserve	Remeasurements of Defined Benefit Plans
<b>Balance as at 1<sup>st</sup> April, 2018</b>	(808.36)	3,944.71	11.92	4,496.01	4,183.09	-	(2.25)	11,825.12
Conversion of Compulsorily Convertible Debentures (Refer No. 14.3) (Refer Note No.14.03)	-	990.00	-	-	-	-	-	990.00
Total Comprehensive Income for the year	-	-	-	1,897.04	-	0.00	(43.76)	1,853.28
<b>Balance as at 31<sup>st</sup> March, 2019</b>	(808.36)	4,934.71	11.92	6,393.05	4,183.09	0.00	(46.01)	14,668.40
Balance as at 1 <sup>st</sup> April, 2019	(808.36)	4,934.71	11.92	6,393.05	4,183.09	0.00	(46.01)	14,668.40
Utilised for Issue of Bonus Shares (Refer Note No. 14.2)	-	(2,273.01)	-	-	-	-	-	(2,273.01)
Total Comprehensive Income for the year	-	-	-	1,965.74	-	(0.19)	60.09	2,025.64
<b>Balance as at 31<sup>st</sup> March, 2020</b>	(808.36)	2,661.70	11.92	8,358.79	4,183.09	(0.19)	14.08	14,421.03

For and on behalf of the Board of Directors

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

**MUNJAL SHAH**  
 Managing Director  
 DIN: 01080863

**SHARAD SHAH**  
 Chairman and Director  
 DIN: 00622001

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

**HARSH BHANSALI**  
 Chief Financial Officer

**AJIT SHARMA**  
 Company Secretary  
 Membership No. F10165

**Place:** Mumbai  
**Date:** 14th September, 2020



**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax as per the Statement of Profit and Loss	2,179.22	2,681.09
<b>ADJUSTED FOR :</b>		
Depreciation and Amortisation Expense	971.19	940.55
Dividend on Non Current Investments	(0.50)	(0.50)
Interest Income	(23.61)	(16.11)
Finance Costs	977.27	938.52
Loss on discard/ Sale of Property, Plant and Equipment	7.94	5.39
Initial Public Offering Related Expenses	45.00	-
Account Written Back (Net)	(93.33)	-
Bad Debts / Advances written off (Net)	-	42.16
Provision for Expected Credit Loss	134.89	66.77
Provision for Doubtful Advance	50.00	-
Unrealised Foreign Exchange differences	38.07	(28.43)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>4,286.14</b>	<b>4,629.44</b>
<b>ADJUSTMENTS FOR :</b>		
Trade and Other Receivables	(2,114.12)	(5,671.68)
Inventories	409.68	(2,073.33)
Trade and Other Payables	(2,137.79)	2,610.19
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	<b>443.89</b>	<b>(505.38)</b>
Direct Taxes Paid (Including Interest)	(704.05)	(699.75)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(260.16)</b>	<b>(1,205.13)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(405.06)	(965.62)
Sale of Property, Plant and Equipment	1.84	-
Fixed Deposits	(100.00)	-
Interest Income	15.33	9.90
Dividend Income	0.50	0.50
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(487.39)</b>	<b>(955.22)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Issue of Compulsorily Convertible Debentures	-	1,000.00
Proceed from Non Current Borrowings	510.98	772.97
Repayment of Non Current Borrowings	(893.76)	(608.72)
Current Borrowings (Net)	2,269.35	1,687.31
Initial Public Offering Related Expenses	(45.00)	-
Lease Liabilities	(3.52)	-
Finance Costs	(952.54)	(808.49)
Margin Money (Net)	(30.48)	97.91
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>855.03</b>	<b>2,140.98</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>107.48</b>	<b>(19.37)</b>
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>17.88</b>	<b>37.25</b>
<b>Effect of Exchange rate on Cash and Cash Equivalents</b>	<b>(0.06)</b>	
<b>Balance of Cash and Cash Equivalents</b>	<b>125.42</b>	
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE) (Refer Note No.9.1)</b>	<b>125.36</b>	<b>17.88</b>

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

Particulars	31.03.2020	31.03.2019
<b>OPENING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES</b>	<b>8,487.60</b>	<b>6,636.04</b>
Add : Changes from Cash Flow from Financing Activities (Net)	1,886.57	1,851.56
Less: Inter Corporate Deposits Written Back	42.23	-
Add : Changes on account of Processing fees	0.41	-
<b>CLOSING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES</b>	<b>10,332.35</b>	<b>8,487.60</b>

- (i) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".  
(ii) Figures in brackets indicate Outflows.  
(iii) Previous Year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

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

For and on behalf of Board of Directors

**MUNJAL SHAH**  
Managing Director  
DIN: 01080863

**SHARAD SHAH**  
Chairman and Director  
DIN: 00622001

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

**HARSH BHANSALI**  
Chief Financial Officer

**AJIT SHARMA**  
Company Secretary  
Membership No. F10165

Place: Mumbai  
Date: 14th September, 2020

## Notes to the Consolidated Financial Statements for Year Ended 31st March, 2020

### 1.1 Corporate Information

The consolidated financial statements comprise of Paras Defence & Space Technologies Limited ("the Group") and its subsidiaries, as detail in Note No. 41, for the year ended 31st March 2020. The Company is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is situated at D-112, TTC industrial area, Nerul, Navi Mumbai. The Group is involved in design, development, manufacturing, testing & commissioning of products, systems and solutions for Defence & Space Applications.

The consolidated financial statements for the year ended 31st March, 2020 were approved and adopted by board of directors in their meeting held on 14th September, 2020.

### 1.2 Basis of Preparation

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

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

These consolidated financial statements are presented in Indian Rupees, which is the Group's functional and presentation currency and all values are rounded to the nearest lacs, except when otherwise indicated.

### 1.3 Principles of Consolidation

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

- i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The

difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

- iii) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.
- iv) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).
- v) The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS.
- vi) The Consolidated Financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

### 1.4 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 Group has availed as deemed cost on the date of transition i.e. 1st April, 2016.

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

#### **Capital work in progress and Capital advances**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

#### **Depreciation**

Depreciation on property, plant and equipment is provided on straight line method for the period for which the assets have been used as under:

- (a) Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of Companies Act, 2013.
- (b) Leasehold land is amortised over the period of lease.

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

#### **B) Intangible Assets and Amortisation**

Intangible Assets are stated at cost, net of accumulated amortization and impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gain or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The period of amortisation is as under:

<b>Asset</b>	<b>Year of amortisation</b>
Computer Software	6 Years
Technical Know how	6 Years

#### **C) Borrowing Cost**

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

#### **D) Impairment of Non-Financial Assets - Property, Plant and Equipment & Intangible Assets**

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

#### **E) Government Grants and Subsidy**

The Group is entitled to subsidy from DSIR (Department of Scientific & Industrial Research), Ministry of Science & Technology for the difference

between the normal rate of interest @12% and the concessional rate of interest @ 3% on financial assistance received from DSIR, subject to prompt repayment of the principal and interest thereon. Government grants are recognized only if there is reasonable assurance that the grant will be received and all the conditions attached there to shall be complied with and are adjusted against the finance costs.

## F) Taxes on Income

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

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

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

Minimum Alternative Tax (MAT) is applicable to the Group. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which

the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

## G) Inventories

Inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. NRV is the estimate selling price in the ordinary course of business, less estimated costs of completion and estimate cost necessary to make the sale. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores & spares, packing materials are determined on weighted average basis. The Cost of Work in Progress and Finished Goods is determined on absorption costing methods.

## H) Financial Instruments

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

### Financial Assets -Initial recognition and measurement

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

### Financial assets - Subsequent measurement

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

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

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

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

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

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

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

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

##### **Financial assets - Derecognition**

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

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

##### **Impairment of Financial Assets**

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within

12 months after the reporting date); or

- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

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

#### **Financial Liabilities - Initial recognition and measurement**

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

#### **Financial assets - Subsequent measurement**

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

#### **Financial Liabilities - Financial guarantee contracts**

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

### Financial liability - Derecognition

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

### I) Fair Value

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

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

All assets and liabilities for which fair value is measured or disclosed in the 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### J) Investment in Subsidiary and Associate Companies

The Group has elected to recognize its investments in

subsidiary at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

### K) Revenue Recognition and Other Income

#### Sales of goods and services

The Group derives revenues primarily from sale of products comprising of Defence & Space Applications.

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

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

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

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

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

**Contract Balances - Trade Receivables**

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

**Contract liabilities**

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

**Other Income**

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit and loss after due consideration of certainty of utilization/receipt of such incentives.

**Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Dividend Income**

Dividend Income is recognised when the right to receive the payment is established.

**Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit or loss.

**L) Foreign currency transactions and translation**

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

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

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

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

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

**M) Employee Benefits**

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered. Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

The cost of providing gratuity, a defined benefit plans, is determined based on Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial

assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

## **N) Lease**

### **On April 1, 2019, the Group adopted Ind AS 116 - Leases.**

The Group 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 Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group 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 Group is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that options. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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 Group as a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group 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 Group assesses whether: (i) the contract involves the

use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 Group 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.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **The Group as a lessor**

Leases for which the Group 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 Group 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.

#### **O) Research and Development**

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

#### **P) Provisions, Contingent Liabilities and Contingent Assets**

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

Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

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

#### **Q) Segment Reporting**

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

#### **R) Cash and Cash Equivalents**

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

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

#### **S)**

##### **Earnings Per Share**

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

Diluted earnings per share is computed using the net profit or loss for the year attributable 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

or date of issuance of such potential equity shares, to the date of conversion.

#### **T) Current / Non-current classification**

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

#### **U) Offsetting Financial Instruments**

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

the event of default, insolvency or bankruptcy of the Group or counterparty.

#### **V) Held for Sale**

Non-Current Assets are classified as Held for Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-Current Assets are classified as Held for Sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the statement of profit and loss as a separate line item. On classification as Held for Sale, the assets are no longer depreciated. Assets and liabilities classified as Held for Sale are presented separately as current items in the Balance Sheet.

#### **1.5) Key accounting estimates and judgements**

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

#### **A) Depreciation/amortisation and useful lives of property plant and equipment/intangible assets**

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

**B) Provisions**

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

**C) Defined Benefit Obligation**

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

**D) Income Tax**

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

**E) Impairment of Financial Assets**

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

**NOTE : 2 PROPERTY, PLANT AND EQUIPMENT**

Particulars	(Rs. in Lakhs)										
	Freehold-Land	Leasehold- Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Right of Use of Assets (Building)	Total	
<b>Balance As at 1<sup>st</sup> April, 2018</b>	377.82	5,463.32	3,701.24	7,996.82	142.36	376.54	67.61	18.04	-	18,143.75	
Additions	-	-	272.57	3.81	136.87	8.28	74.72	15.15	-	511.40	
Disposals / Transfer	-	-	-	11.45	-	-	-	-	-	11.45	
<b>Balance As at 31<sup>st</sup> March, 2019</b>	377.82	5,463.32	3,973.81	7,989.18	279.23	384.82	142.33	33.19	-	18,643.70	
Additions	-	-	-	63.15	16.51	13.05	24.39	29.73	19.73	166.56	
Disposals / Transfer	-	-	-	11.15	13.13	0.11	1.52	2.18	-	28.09	
Transfer to Held for Sale (Refer Note No.40)	-	-	265.12	-	-	-	-	-	-	265.12	
<b>Balance As at 31<sup>st</sup> March, 2020</b>	377.82	5,463.32	3,708.69	8,041.18	282.61	397.75	165.21	60.74	19.73	18,517.05	
<b>Depreciation</b>											
<b>Balance As at 1<sup>st</sup> April, 2018</b>	-	162.34	307.09	563.32	29.89	71.82	26.25	9.12	-	1,169.83	
Depreciation For the Year	-	81.17	167.90	543.92	23.35	51.42	18.04	5.36	-	891.16	
Disposals	-	-	-	6.06	-	-	-	-	-	6.06	
<b>Balance As at 31<sup>st</sup> March, 2019</b>	-	243.51	474.99	1,101.18	53.24	123.24	44.29	14.48	-	2,054.93	
Depreciation For the Year	-	81.17	170.07	543.55	30.06	49.67	25.49	11.69	4.38	916.08	
Disposals	-	-	-	6.26	8.98	0.09	1.24	1.69	-	18.26	
Transfer to Held for Sale (Refer Note No.40)	-	-	14.46	-	-	-	-	-	-	14.46	
<b>Balance As at 31<sup>st</sup> March, 2020</b>	-	324.68	630.60	1,638.47	74.31	172.82	68.54	24.48	4.38	2,938.29	
<b>Net Carrying Value</b>											
<b>Balance As at 31<sup>st</sup> March, 2019</b>	377.82	5,219.81	3,498.82	6,888.00	225.99	261.58	98.04	18.71	-	16,588.77	
<b>Balance As at 31<sup>st</sup> March, 2020</b>	377.82	5,138.64	3,078.09	6,402.71	208.30	224.94	96.66	36.26	15.35	15,578.76	

2.1 Property, Plant and Equipment include assets pledged / hypothecation as security (Refer note no. 16 and 20).

2.2 Vehicles, having carrying value of Rs. 213.25 lakhs (31st March, 2019 : Rs. 261.58 lakhs), are registered in the name of the Directors or erstwhile Directors of the Company or of entities that has since been amalgamated with the Company in pursuance to the scheme of amalgamation.

**2.3 CAPITAL WORK IN PROGRESS INCLUDES:**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Building under Construction	455.19	262.95
Pre-operative Expenses (Finance Cost)	35.31	-
<b>TOTAL</b>	<b>490.50</b>	<b>262.95</b>

2.4 Building includes cost of shares in Co-operative society of Rs. 750 ( Previous year Rs. 750) .

2.5 In accordance with the Indian Accounting standards -36 on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Ind AS. On the basis of the review carried out by the management , there was no impairment loss on Property, Plant and Equipment during the year ended 31st March, 2020.

**NOTE : 3 INTANGIBLE ASSETS**

Particulars	(Rs. in Lakhs)		
	Computer Software*	Process Technology / Technical know-How*	TOTAL
<b>Balance As at 1st April, 2018</b>	<b>0.32</b>	<b>185.62</b>	<b>185.94</b>
Additions	4.01	123.52	127.53
<b>Balance As at 31st March, 2019</b>	<b>4.33</b>	<b>309.14</b>	<b>313.47</b>
Additions	19.08	-	19.08
<b>Balance As at 31st March, 2020</b>	<b>23.41</b>	<b>309.14</b>	<b>332.55</b>
<b>Amortisation</b>			
<b>Balance As at 1st April, 2018</b>	<b>0.16</b>	<b>23.45</b>	<b>23.61</b>
Amortisation charge for the Year	0.30	49.09	49.39
<b>Balance As at 31st March, 2019</b>	<b>0.46</b>	<b>72.54</b>	<b>73.00</b>
Amortisation charge for the Year	3.59	51.52	55.11
<b>Balance As at 31st March, 2020</b>	<b>4.05</b>	<b>124.06</b>	<b>128.11</b>
<b>Net Carrying Amount</b>			
<b>Balance As at 31st March, 2019</b>	<b>3.87</b>	<b>236.60</b>	<b>240.47</b>
<b>Balance As at 31st March, 2020</b>	<b>19.36</b>	<b>185.08</b>	<b>204.44</b>

\* Other than self generated

**NOTE : 4  
NON CURRENT INVESTMENTS**

PARTICULARS	Number of Shares		Face Value	(Rs. in Lakhs)	
	31.03.2020	31.03.2019		As at 31.03.2020	As at 31.03.2019
<b>Equity Instruments (Unquoted, Fully Paid Up)</b>					
<b>Carried at fair value through Profit &amp; Loss</b>					
NKGSB Co- Operative Bank Limited	50,000	50,000	10	5.00	5.00
<b>TOTAL</b>				<b>5.00</b>	<b>5.00</b>
				<b>31.03.2020</b>	<b>31.03.2019</b>
Aggregate Amount of Unquoted Investments				5.00	5.00
Aggregate Amount of Quoted Investments and Market Value				-	-
Investment Carried at fair value through Profit & Loss				5.00	5.00

**NOTE : 5  
OTHERS NON CURRENT FINANCIAL ASSETS**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	Face Value 31.03.2019
Fixed Deposits with Banks held as Margin Money	28.13	42.43
<b>TOTAL</b>	<b>28.13</b>	<b>42.43</b>

**NOTE : 6  
OTHER NON CURRENT ASSETS**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	Face Value 31.03.2019
(Unsecured, Considered Good)		
Capital Advances	41.47	5.00
Security Deposits	84.93	82.07
Prepaid Expenses	14.50	-
<b>TOTAL</b>	<b>140.90</b>	<b>87.07</b>

**NOTE : 7  
INVENTORIES**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Raw Materials	1,986.95	2,816.80
Work-in-Progress	3,060.23	2,475.74
Finished Goods	629.82	1,065.28
Stock In Trade	9.07	-
Stores, Spares and Consumables	356.95	94.88
<b>TOTAL</b>	<b>6,043.02</b>	<b>6,452.70</b>

**7.1** For basis of valuation Refer Accounting Policy Note No. 1.4 (G)

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

**NOTE : 8  
TRADE RECEIVABLES**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
(Unsecured)		
Considered Good	10,065.35	8,426.26
Significant Increase in Credit Risk	194.04	260.97
	10,259.39	8,687.23
Less: Provision for Expected Credit Loss	499.40	364.51
<b>TOTAL</b>	<b>9,759.99</b>	<b>8,322.72</b>

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

**NOTE : 9  
CASH AND CASH EQUIVALENTS**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	119.35	13.50
Cash on hand	6.01	4.38
<b>TOTAL</b>	<b>125.36</b>	<b>17.88</b>

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

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Balances with Banks in Current Accounts	119.35	13.50
Cash on hand	6.01	4.38
<b>TOTAL</b>	<b>125.36</b>	<b>17.88</b>



**NOTE : 10**  
**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(Rs. in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Fixed Deposits with Banks	100.00	-
Fixed Deposits with Banks Pledged as Margin Money	212.60	167.83
<b>TOTAL</b>	<b>312.60</b>	<b>167.83</b>

**NOTE : 11**  
**LOANS**

(Rs. in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(Unsecured, Considered Good)		
Loans to Employees #	3.33	15.14
<b>TOTAL</b>	<b>3.33</b>	<b>15.14</b>

# Includes related parties (Refer Note No. 34)

**NOTE : 12**  
**OTHER CURRENT FINANCIAL ASSETS**

(Rs. in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
( Unsecured, Considered Good )		
Interest Receivables	14.99	6.71
Government Grant Receivables	30.66	44.58
Duty Drawback Receivable	17.91	0.08
<b>TOTAL</b>	<b>63.56</b>	<b>51.37</b>

**NOTE : 13**  
**OTHER CURRENT ASSETS**

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Advances to Suppliers		
Considered Good	1,093.78	505.46
Considered Doubtful	50.00	-
	1,143.78	505.46
Less : Provision for Doubtful	50.00	-
	1,093.78	505.46
Balances with Government Authorities	32.30	124.67
Export Incentive Receivables	47.02	42.86
Security Deposits	9.20	-
Others *	50.07	47.32
<b>TOTAL</b>	<b>1,232.37</b>	<b>720.31</b>

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

**NOTE : 14  
EQUITY SHARE CAPITAL**

(Rs. in Lakhs)

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>Authorised</b>		
4,53,85,000 ( Previous Year : 3,52,60,000) Equity Shares of Rs.10/- each.	4,538.50	3,526.00
	<b>4,538.50</b>	<b>3,526.00</b>
<b>Issued, Subscribed and Paid up</b>		
2,84,12,670 (Previous Year : 56,82,534) Equity Shares of Rs.10/- each fully paid up	2,841.26	568.25
<b>TOTAL</b>	<b>2,841.26</b>	<b>568.25</b>

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

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	56,82,534	568.25	55,82,534	558.25
<b>Add:</b> Issue of Bonus Shares (Refer Note no. 14.2 )	2,27,30,136	2,273.01	-	-
<b>Add:</b> Issued on conversion of Compulsorily Convertible Debentures (Refer Note No. 14.3)	-	-	1,00,000	10.00
<b>Shares outstanding at the end of the year</b>	<b>2,84,12,670</b>	<b>2,841.26</b>	<b>56,82,534</b>	<b>568.25</b>

**14.2** On 24th March, 2020, the Holding Company issued and allotted 2,27,30,136 bonus equity shares of 10/- each in the proportion of 1:4 to its shareholders by capitalizing securities premium of Rs. 2273.01 lakhs.

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

**14.4** 25,82,534 (Previous Year : 25,82,534) shares were allotted in last five years pursuant to the schemes of Amalgamation without payment received in cash.

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

Name of Shareholders	As at 31.03.2020		As at 31.03.2019	
	No of Shares held	Percentage held	No of Shares held	Percentage held
Mr. Sharad Virji Shah	85,24,840	30.00%	36,56,094	64.34%
Mr. Munjal Sharad Shah	97,42,630	34.29%	6,81,526	11.99%
Mrs. Ami Munjal Shah	19,41,580	6.83%	6,72,442	11.83%

**14.6 Rights of Equity Shareholders**

The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

## NOTE : 15 OTHER EQUITY

PARTICULARS	(Rs. in Lakhs)			
	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2019
<b>Capital Reserve</b>				
Balance as per last Balance Sheet		(808.36)		(808.36)
<b>Securities Premium</b>				
Balance as per last Balance Sheet	4,934.71		3,944.71	
<b>Add:</b> On Conversion of Compulsorily Convertible Debentures (Refer Note No. 14.03)			990.00	
<b>Less:</b> Utilised for Issue of Bonus Shares (Refer Note No. 14.2)	2,273.01			
		<b>2,661.70</b>		<b>4,934.71</b>
<b>General Reserve</b>				
Balance as per last Balance Sheet		<b>11.92</b>		<b>11.92</b>
<b>Retained Earnings</b>				
Balance as per last Balance Sheet	6,393.05		4,496.01	
<b>Add:</b> Profit after tax for the year	1,965.74		1,897.04	
		<b>8,358.79</b>		<b>6,393.05</b>
<b>Revaluation Reserve</b>				
Balance as per last Balance Sheet		<b>4,183.09</b>		<b>4,183.09</b>
<b>Other Comprehensive Income ( OCI )</b>				
Balance as per last Balance Sheet	(46.01)		(2.25)	
Exchange differences in translating the financial statement of a foreign operation	(0.19)		0.00	
<b>Add:</b> Movement in OCI (Net) during the year	60.09		(43.76)	
		<b>13.89</b>		<b>(46.01)</b>
<b>TOTAL</b>		<b>14,421.03</b>		<b>14,668.40</b>

### NOTE NO. 15.1 NATURE AND PURPOSE OF RESERVES

#### Capital Reserves

The Capital Reserve was created pursuant to the scheme of amalgamation of Mechvac India Limited, Concept Shapers & Electronics Private Limited. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

#### Securities Premium

Securities Premium was created when shares were issued at premium. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

#### General Reserve

The General Reserve was created pursuant to the scheme of amalgamation and It shall be utilised in accordance with the provisions of the Companies Act, 2013.

#### Retained Earnings

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

#### Revaluation Reserve

Revaluation Reserve was created for revaluation of Land and Building. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

#### Other Comprehensive Income

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

## NOTE : 16 NON CURRENT BORROWINGS

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>		
<b>Term Loans</b>		
- From Banks *	2,562.60	2,590.47
- From Financial Institution *	1,017.16	1,040.56
- From Department of Scientific & Industrial Research of Government of India (DSIR)	95.28	188.88
<b>TOTAL</b>	<b>3,675.04</b>	<b>3,819.91</b>

\* Net of Processing Fees of Rs. 7.15 Lakhs (Previous Year Rs. 7.56 Lakhs)

**16.1** The Term loans from banks referred to above aggregating to Rs. 2563.92 Lakhs and Rs. 440.07 Lakhs included in current maturity of long Term Debts in Note No. 22 includes:

- (i) Rs.800.64 lakhs secured by way of Equitable mortgage of Land and Building on Plot no. M-6, Additional Ambernath Industrial area, Ambernath-421506, Maharashtra, India (Measuring 21569 sq mtrs) and further secured by collateral security of plant and machinery. The loan is repayable in 61 equal monthly installments ending in September 2025.
- (ii) Rs.204.23 lakhs secured by the Equitable mortgage of Shed constructed on Plot No. M6, MIDC Additional Ambernath Industrial Area, situated at Village Jambivali, Ambernath 421506 and further secured by collateral security of plant and machinery. The loan is repayable in 37 equal monthly installments ending in September 2023.
- (iii) Rs.159.61 lakhs secured by Hypothecation of Flow Forming Machine and further secured by collateral security of plant and machinery. The loan is repayable in 61 equal monthly installments ending in September 2025.
- (iv) Rs.75.84 lakhs hypothecated by Vacuume Epoxy Resin and Dosing Machine and further secured by collateral security of plant and machinery. The loan is repayable in 39 equal monthly installments ending in November 2023.
- (v) Rs. 272.82 lakhs secured by Equitable mortgage of Shed constructed on Plot No. M6, MIDC Additional Ambernath Industrial Area, situated at Village Jambivali, Ambernath 421506 and further secured by collateral security of plant and machinery present and future. The loan is repayable in 58 equal monthly installments ending in June 2025.
- (vi) Rs.1361.57 lakhs secured by Pari Passu Charge on all existing and future current assets / movable fixed assets of the Borrower with NKGSB Bank. Collateral Security of 1) Premises no. 103, 1st floor, veena industrial premises Co-operative Society Limited, Plot no. B-61, veera desai road, Andheri W, Mumbai 400058. 2) Unit no. 115, 1st floor, veena Industrial premises Co-operative Society Limited, Plot no. B 61, 400058. 3) Unit no. 209B, 2nd floor, veena Industrial premises Co-operative Society Limited, Plot no. B 61, 400058. 4) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 5) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076. The loan is repayable as follows.
  - The loan of Rs.216.38 Lakhs is repayable in 46 equal monthly installments ending in May 2024.
  - The loan of Rs.759.89 Lakhs is repayable in 36 equal monthly installments ending in July 2023.
  - The loan of Rs.194.13 Lakhs is repayable in 60 equal monthly installments ending in July 2025.
  - The loan of Rs.191.17 Lakhs is repayable in 34 equal monthly installments ending in May 2023.
- (vii) Rs.129.28 lakhs secured by the way of Hypothecation of specific vehicle financed. The loan is repayable in 6 to 60 equal monthly installments. The said vehicle loan accounts are in the name of directors / erstwhile director of the Company or of entities that has since been amalgamated with the company in pursuance to the scheme of amalgamation.

**16.2** The Term loans from financial institution referred to above aggregating to Rs. 1022.99 Lakhs and Rs. 103.93 included in current maturity of long Term Debts in Note No. 22 includes:

- (i) Rs.159.77 lakhs secured by the mortgage on 101, Kalinga Nirmal Nagar, MGLR, Dmart, Mulund (W), Mumbai 400080. owned by Mr. Sharad Shah. The loan is repayable in 143 equal monthly installments ending in July 2032.
- (ii) Rs.450.80 lakhs secured by 396/397A , TTC Industrial Area, Mahape, Navi Mumbai 400710 owned by Mr. Sharad Shah. The loan is repayable in 180 equal monthly installments ending in March 2036.
- (iii) Rs.248.33 lakhs secured by Flat no. 604/605, Nirmal nagar kalinga CHSL, Nirmal nagar, Line road, D mart, Mulund W, Mumbai, Maharashtra Indian 400080. The loan is repayable in 240 equal monthly installments ending in January 2040.

- (iv) Rs.258.53 lakhs secured by way of hypothecation/exclusive charge on specific Equipment finance. The loan is repayable as follows:
- The loan of Rs.23.07 Lakhs is repayable in 18 equal monthly installments ending in January 2022.
  - The loan of Rs.4.59 Lakhs is repayable in 1 equal monthly installments ending in April 2020.
  - The loan of Rs.11.70 Lakhs is repayable in 4 equal monthly installments ending in December 2020.
  - The loan of Rs.84.72 Lakhs is repayable in 32 equal monthly installments ending in April 2023.
  - The loan of Rs.134.45 Lakhs is repayable in 21 equal monthly installments ending in May 2022.
- (v) Rs.9.49 lakhs secured by the way of Hypothecation of specific vehicle financed. The loan is repayable in 10 to 60 equal monthly installments. The said vehicle loan accounts are in the name of directors / erstwhile director of the Company or of entities that has since been amalgamated with the company in pursuance to the scheme of amalgamation.

**16.3** Term loan from DSIR of Rs. 95.28 Lakhs (includes Fair valuation of first interest installment of the term loan from DSIR of Rs. 15.28 Lakhs) and Rs. 93.60 lakhs included in current maturity of long term debts in note no 22 is covered by bank guarantees. The loan is repayable in 2 equal annual installments ending in July 2021.

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

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

**16.6 Maturity profile of Term Loans is as under: (Rs. in Lakhs)**

Financial Year	Amount	Financial Year	Amount	Financial Year	Amount
2020-2021	637.60	2027-2028	53.43	2034-2035	46.78
2021-2022	999.82	2028-2029	56.17	2035-2036	48.46
2022-2023	891.65	2029-2030	59.23	2036-2037	20.26
2023-2024	605.83	2030-2031	62.65	2037-2038	22.29
2024-2025	416.27	2031-2032	64.39	2038-2039	24.54
2025-2026	144.64	2032-2033	46.45	2039-2040	23.09
2026-2027	50.98	2033-2034	45.26		

**NOTE : 17  
Lease Liabilities**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Lease Liabilities	10.12	-
<b>TOTAL</b>	<b>10.12</b>	<b>-</b>

**17.1: The following is the movement in lease liabilities during the year :**

Particulars	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Opening Balance</b>	-	-
Add: Addition during the year	19.73	-
Add: Finance cost accrued during the year	1.28	-
Less: Payment of lease liabilities	4.80	-
<b>Closing Balance</b>	<b>16.21</b>	<b>-</b>

**17.2: The following is the contractual maturity profile of lease liabilities:**

Particulars	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Less than one year	7.68	-
One year to Five years	11.35	-
More than five years	-	-
<b>Total</b>	<b>19.03</b>	<b>-</b>

**NOTE : 18  
NON CURRENT PROVISIONS**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Provision for Gratuity	129.62	168.83
<b>TOTAL</b>	<b>129.62</b>	<b>168.83</b>

**NOTE : 19 INCOME TAX****19.1 Current Tax**

PARTICULARS	(Rs. in Lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Current Tax	661.85	688.39
Income Tax for Earlier Years	0.41	(0.13)
<b>Total Current Tax</b>	<b>662.26</b>	<b>688.26</b>

**19.2 The major components of Tax Expense for the year ended 31st March, 2020 & March, 2019 are as follows:**

PARTICULARS	(Rs. in Lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
<b>Recognised in the Statement of Profit and Loss</b>		
Current Tax (Refer Note No. 19.1)	662.26	688.26
Deferred Tax:-Relating to origination and reversal of temporary differences	(448.78)	95.79
<b>Total Tax Expenses</b>	<b>213.48</b>	<b>784.05</b>

**19.3 Reconciliation between Tax Expense / (Income) and Accounting Profit multiplied by tax rate for the year ended 31<sup>st</sup> March, 2020 & 31<sup>st</sup> March, 2019:**

PARTICULARS	(Rs. in Lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Accounting Profit before tax	2,179.22	2,681.09
Applicable tax rate (in %)	<b>25.17%</b>	<b>27.82%</b>
Computed Tax Expenses / (Income)	548.47	745.88
<b>Tax effect on account of:</b>		
Property, Plant and Equipment, Intangible Assets and Assets Held for Sale	2.64	5.52
Expenses not allowed under Income Tax Act	26.29	33.60
Deduction allowed under Income Tax Act	(3.46)	(3.97)
Change in Tax Regime (Refer Note No. 19.6)	(368.95)	-
Deduction under chapter VI A	-	(3.15)
MAT Credit Entitlement	-	5.21
Non consideration of surcharge for MAT Credit	-	(3.18)
Others	8.50	4.15
<b>Income tax Expenses / (Income) recognised in the Statement of Profit and Loss</b>	<b>213.48</b>	<b>784.05</b>

\* Others include Rate Difference, dividend income etc

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

Particulars	(Rs. in Lakhs)			
	Balance Sheet		Statement of Profit and Loss	
	As at 31st March, 2020	As at 31st March, 2019	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Property, Plant and Equipment and Intangible Assets and Assets held for sale	2,532.44	2,954.81	(422.37)	123.58
MAT Credit Entitlement	-	-	-	5.21
Items disallowed as per Income Tax Act, 1961	(182.82)	(176.62)	(6.20)	(50.98)
<b>Deferred Tax Liabilities / (Assets)</b>	<b>2,349.62</b>	<b>2,778.19</b>	<b>(428.57)</b>	<b>77.81</b>

**19.5 Reconciliation of Deferred Tax Liabilities (Net):**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Opening Balance at the beginning of the year</b>	2,778.19	2,700.38
Deferred Tax Expenses/(Income) recognised in the Statement of Profit and Loss	(448.78)	95.79
Deferred Tax Expenses/(Income) recognised in OCI	20.21	(17.98)
<b>Closing Balance at the end of the year</b>	<b>2,349.62</b>	<b>2,778.19</b>

**19.6** The Group has exercised the option permitted under section 115 BAA of the Income Tax Act, 1961 as introduced by the taxation Laws (Amendment) Ordinance, 2019. Accordingly the Group has recognised the tax provision for the year 31st March, 2020 and remeasured the deferred tax asset / Liabilities based on the rates prescribed in that section.

## NOTE : 20 CURRENT FINANCIAL LIABILITIES - BORROWINGS

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>		
Working Capital Rupee Loans from Banks		
<b>Unsecured</b>	4,499.58	3,697.09
Loans From Related Parties (Refer note no. 34)		
Inter Corporate Deposits	1,478.12	50.17
	42.01	45.33
	<b>1,520.13</b>	<b>95.50</b>
<b>TOTAL</b>	<b>6,019.71</b>	<b>3,792.59</b>

### 20.1 The working capital Loans from banks includes:

- (i) Rs.1253.08 Lakhs secured by way of hypothecation of stocks & book-debts and further secured by collateral security of Plant & Machinery and Land & Building on plot no. M-6, MIDC, Additional Ambernath Industrial Area, Ambernath-421506, Maharashtra, India.
- (ii) Rs. 3246.28 Lakhs secured by Pari Passu Charge on all existing and future current assets / movable fixed assets and Collateral Security of 1) Premises no. 103, 1st floor, veena industrial premises Co-op soc. Ltd, Plot no. B-61, veena desai road, Andheri W, Mumbai 400058. 2) Unit no. 115, 1st floor, veena Industrial premises Co-op Soc Ltd, Plot no. B 61, 400058. 3) Unit no. 209B, 2nd floor, veena Industrial premises Co-op Soc Ltd, Plot no. B 61, 400058. 4) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 5) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076.6) Additional Mortgage on Pentahouse No. 11, 13th & 14th floors, A Wing, Maruti Paradise, Sector No. 15 at CBD Belapur, Navi Mumbai - 400614 owned by Mr. Munjal Shah.
- (iii) Rs. 0.22 Lakhs is secured by Fixed Deposits.

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

## NOTE : 21 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Micro, Small and Medium Enterprises	698.74	727.51
Others	2,005.52	4,597.66
<b>TOTAL</b>	<b>2,704.26</b>	<b>5,325.17</b>

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

Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information as available with the Company and the required disclosures are given below :

Particulars	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	698.74	727.51
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	2.04	0.26
(iii) The amount of Interest paid, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of Interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.04	0.26
(vi) The amount of Further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-



**NOTE : 22**  
**CURRENT FINANCIAL LIABILITIES - OTHERS**

(Rs. in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Current Maturities of Long Term Debts	637.60	875.09
Lease Liabilities- Current	6.09	-
Interest Accrued but not Due	77.38	76.74
Interest Accrued And Due on trade payables	2.04	0.26
Creditors for Capital Goods	35.09	45.53
Other Payables *	133.04	118.38
<b>TOTAL</b>	<b>891.24</b>	<b>1,116.00</b>

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

**NOTE : 23**  
**OTHER CURRENT LIABILITIES**

(Rs. in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Advances from Customers	88.17	142.46
Statutory Liabilities	516.34	18.34
<b>TOTAL</b>	<b>604.51</b>	<b>160.80</b>

**NOTE : 24**  
**CURRENT PROVISIONS**

(Rs. in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Provision for Gratuity	15.34	15.05
<b>TOTAL</b>	<b>15.34</b>	<b>15.05</b>

## NOTE : 25 REVENUE FROM OPERATIONS

PARTICULARS	(Rs. in Lakhs)	
	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Sale of Products	14,195.67	14,987.34
Sale of Services / Job Work Income	508.61	452.60
<b>TOTAL</b>	<b>14,704.28</b>	<b>15,439.94</b>

### 25.1 Revenue Disaggregation by type of Products and Services as follows :

Particulars	(Rs. in Lakhs)	
	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Heavy Engineering	6,412.94	6,011.12
Defence Electronics	3,181.12	4,686.47
Defence & Space Optics	5,110.22	4,742.35
<b>TOTAL</b>	<b>14,704.28</b>	<b>15,439.94</b>

### 25.2 Revenue disaggregation by geography is as follows:

Particulars	(Rs. in Lakhs)	
	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
India	12,865.93	13,905.17
Outside India	1,838.35	1,534.77
<b>TOTAL</b>	<b>14,704.28</b>	<b>15,439.94</b>

### 25.3 Reconciliation of Revenue from Operations with Contract Price:

Particulars	(Rs. in Lakhs)	
	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Contract Price	14,709.47	15,442.18
Reduction towards variables considerations components *	5.19	2.24
<b>TOTAL</b>	<b>14,704.28</b>	<b>15,439.94</b>

\* The reduction towards variable consideration comprises of volume discounts.

## NOTE : 26 OTHER INCOME

PARTICULARS	(Rs. in Lakhs)	
	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Interest Income from Financial assets measured at amortised cost		
On Fixed Deposits with Banks	20.44	12.34
On Others	3.17	3.77
Dividend Income from Financial assets measured at fair value through profit or loss		
Non-current Investments	0.50	0.50
Lease Rent	9.00	-
Gain on Foreign Currency Fluctuations (Net)	0.32	122.09
Export Incentives	52.85	128.84
Account Written Back (Net)	93.33	-
Miscellaneous Income	21.17	9.47
<b>TOTAL</b>	<b>200.78</b>	<b>277.01</b>

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

(Rs. in Lakhs)

PARTICULARS	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
<b>Closing Inventories</b>		
Finished Goods	629.82	1,065.28
Work-in-Progress	3,060.23	2,475.74
Stock in Trade	9.07	-
	<b>3,699.12</b>	<b>3,541.02</b>
<b>Opening Inventories</b>		
Finished Goods	1,065.28	1,170.94
Work-in-Progress	2,475.74	1,206.11
	<b>3,541.02</b>	<b>2,377.05</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(158.10)</b>	<b>(1,163.97)</b>

**NOTE : 28****EMPLOYEE BENEFITS EXPENSE**

(Rs. in Lakhs)

PARTICULARS	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Salaries, Wages & Allowances	983.51	812.14
Contribution to Provident and Other Funds	49.71	31.82
Welfare and Other Amenities	63.18	53.78
<b>TOTAL</b>	<b>1,096.40</b>	<b>897.74</b>

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

(Rs. in Lakhs)

Particulars	2019-20	2018-19
(a) <b>Contribution to Defined Contribution Plan, recognised as expense for the year are as under</b>		
Employer's Contribution to Provident Fund and ESIC	6.77	8.43

**(b) Defined Benefit Plan - Unfunded**

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

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Actuarial Assumptions</b>		
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Salary growth	Financial Year 2020- 21.0% and thereafter 9%	7.50%
Discount rate	6.71%	7.76%
Withdrawal Rate	7.00%	2.50%

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>Movement in present value of Defined Benefit Obligation</b>		
Defined Benefit Obligations at the beginning of the year	183.88	98.74
Current Service Cost	28.07	15.47
Interest Cost	14.77	7.93
Actuarial Loss / (Gain)	(80.30)	61.74
Benefits Paid	(1.46)	-
<b>Defined Benefit Obligations at the end of the year</b>	<b>144.96</b>	<b>183.88</b>
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current Service Cost	28.07	15.47
Interest on Defined Benefit Obligations	14.77	7.93
<b>Total included in "Remuneration and Benefits to Employees"</b>	<b>42.84</b>	<b>23.40</b>
<b>Remeasurements (recognised in Other Comprehensive Income)</b>		
Effect of changes in financial assumptions	21.27	1.76
Effect of changes in demographic assumptions	5.79	-
Effect of experience adjustments	(107.36)	59.98
Amount recognised in OCI, End of Year	(80.30)	61.74

(c) <b>Net Defined Benefit Obligations / (Assets) reconciliation</b>		(Rs. in Lakhs)	
Present Value of Obligations at the end of the year	144.96	183.88	
Less : Fair Value of Plan Assets at the end of the year	-	-	
<b>Net Obligations / (Assets) recognised at the end of the year</b>	<b>144.96</b>	<b>183.88</b>	

- (d) The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply and demand in the employment market. The above information is certified by the actuary.

## 28.2 Sensitivity Analysis

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
	Effect on Gratuity Increase / (Decrease)	
Discount Rate + 100 basis points	(11.12)	(14.68)
Discount Rate - 100 basis points	12.87	16.49
Salary Escalation Rate + 100 basis points	8.02	6.35
Salary Escalation Rate - 100 basis points	(6.95)	(5.48)
Withdrawal Rate+100 basis points	0.62	6.39
Withdrawal Rate-100 basis points	(0.80)	(5.71)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the Projected Unit Credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

**28.3 Expected payments towards contributions to Gratuity in future years :**

(Rs. in Lakhs)	
Year Ended	Expected Payment
31st March, 2021	15.84
31st March, 2022	11.00
31st March, 2023	10.98
31st March, 2024	10.27
31st March, 2025	11.14
31st March, 2026 to 2030	66.40

**28.4 Risk exposures**

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

**Salary Risk**

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

**Discount rate**

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

**Employee Turnover rate/Withdrawal rate**

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

**Mortality / Disability**

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

**NOTE : 29  
FINANCE COSTS**

(Rs. in Lakhs)		
PARTICULARS	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Interest Expenses on Financial Liabilities measured at amortised cost	929.05	890.97
Interest Expenses on Lease Liabilities	1.28	-
Other Borrowing Costs	46.94	47.55
<b>TOTAL</b>	<b>977.27</b>	<b>938.52</b>

**29.1** Above includes, Interest of Rs. 63.81 Lakhs ( Previous Year Rs. 126.64 Lakhs) on late payment of Advance Tax.

**NOTE : 30  
DEPRECIATION AND AMORTISATION EXPENSES**

(Rs. in Lakhs)		
PARTICULARS	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	916.08	891.16
Amortisation of Intangible Assets (Refer Note No. 3)	55.11	49.39
<b>TOTAL</b>	<b>971.19</b>	<b>940.55</b>

**NOTE : 31  
OTHER EXPENSES**

(Rs. in Lakhs)

PARTICULARS	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
<b>MANUFACTURING EXPENSES</b>		
Consumables, Stores and Spares Consumed	123.14	157.16
Power and Fuel	244.46	218.26
Labour Charges	383.49	308.50
Repairs and Maintenance -		
Plant and Equipment	-	0.19
Others	14.43	16.94
Technical Services	0.01	17.73
Job Processing charges	152.25	-
Other Manufacturing Expenses	53.27	30.99
	<b>971.05</b>	<b>749.77</b>
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement and Business Promotion	151.39	206.96
Packing & Forwarding Expenses	19.31	14.01
Others	25.84	17.47
	<b>196.54</b>	<b>238.44</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Insurance	26.88	6.60
Rent	33.78	23.27
Rates and Taxes	55.49	45.28
Printing and Stationery	14.15	11.89
Communication Expenses	8.45	10.12
Travelling and Conveyance	244.96	269.10
Legal and Professional Charges	125.68	124.09
Payment to Auditors (Refer Note no. 31.1)	30.22	22.16
Security Expenses	32.38	16.81
Office Expenses	28.32	32.82
Director Sitting fees	38.00	11.00
Miscellaneous Expenses	117.01	72.19
	<b>755.32</b>	<b>645.33</b>
<b>OTHER EXPENSES</b>		
Bank Charges	44.35	36.63
Bad Debts / Advances written off	-	42.16
Loss due to Fraud (Refer Note no. 31.2)	20.36	-
Provision for Doubtful Advance	50.00	-
Provision for Expected Credit Loss	134.89	66.77
Donation	1.86	0.75
Corporate Social Responsibility Expenditure (Refer Note No. 35)	40.50	22.61
Loss on discard/Sale of Property, Plant and Equipment	7.94	5.39
Loss on Foreign Currency Fluctuations (Net)	41.02	-
Initial Public Offering Related Expenses	45.00	-
Late Delivery charges	89.63	62.78
	<b>475.55</b>	<b>237.09</b>
<b>TOTAL</b>	<b>2,398.46</b>	<b>1,870.63</b>

31.1 Break-up of Payment to Auditors :		(Rs. in Lakhs)	
Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019	
Audit Fees	24.22	18.16	
Tax Audit Fees	6.00	4.00	
<b>TOTAL</b>	<b>30.22</b>	<b>22.16</b>	

**31.2** During the year, the Holding Company has lost Rs. 20.36 Lakhs due to a cyber fraud. The Holding Company had placed an order for the supply of materials through an email, however the email was hacked and advance money transferred to an account which was not of the vendor to whom the order was placed. The Company has lodged a FIR with Turbhe MIDC Police Station for the same.

## NOTE :32 EARNINGS PER SHARE

PARTICULARS	(Rs. in Lakhs)	
	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
<b>Basic Earnings Per Share</b>		
Profit for the year	1,965.74	1,897.04
Weighted average number of Equity Shares (Nos.)	2,84,12,670	2,81,14,040
Basic Earnings Per Share of Rs.10/- each	6.92	6.75
<b>Diluted Earnings Per Share</b>		
Amount available for calculation of Diluted EPS	1,965.74	1,897.04
Weighted average number of Equity Shares (Nos.)	2,84,12,670	2,81,14,040
Add : Potential number of Equity Shares	-	38,521
No. of shares used for calculation of Diluted EPS	2,84,12,670	2,81,52,560
Diluted Earnings Per Share of Rs.10/- each	6.92	6.74

**32.1:** The Holding Company issued and allotted 2,27,30,136 bonus equity shares of Rs.10/- each on 24<sup>th</sup> March, 2020 to its shareholders by capitalizing its Securities Premium. Accordingly, the Earning Per Share for the year ended 31st March, 2019 has been restated to give effect to the allotment of the bonus shares, in line with IND AS-33 "Earnings per Share".

**NOTE: 33 CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>A Contingent Liabilities (to the extent not provided for)</b>		
<b>I INCOME TAX</b>	14.06	-
<b>TOTAL (I)</b>	<b>14.06</b>	-
<b>II GUARANTEES</b>		
Guarantees given by the Company's Bankers (Bank guarantees are provided under contractual / legal obligation)	1,678.69	1,719.72
<b>TOTAL (II)</b>	<b>1,678.69</b>	<b>1,719.72</b>
<b>III LETTER OF CREDIT OUTSTANDING</b>		
Letters of Credit opened in favour of Suppliers	163.14	111.34
<b>TOTAL (III)</b>	<b>163.14</b>	<b>111.34</b>
<b>TOTAL (A)</b>	<b>1,855.89</b>	<b>1,831.06</b>
<b>B Capital Commitments :</b>		
Estimated amount of contracts to be executed on capital account not provided for	51.87	-
Commitment towards EPCG License	435.57	561.28
<b>TOTAL (B)</b>	<b>487.44</b>	<b>561.28</b>
<b>TOTAL (A+B)</b>	<b>2,343.33</b>	<b>2,392.34</b>

C. Management is of the view that the above litigations will not impact significantly the financial position of the company.

**NOTE: 34 RELATED PARTY DISCLOSURES :**

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

**List of Related Parties :**

(As certified by the Management)

**I Key Managerial Personnel**

- i Mr. Sharad Shah
- ii Mr. Munjal Sharad Shah
- iii Mrs. Shilpa Amit Mahajan (w.e.f. 25th June, 2018)
- iv Mr. Prasantamadhav Barua (From 20th August, 2018 to 3rd November, 2018)
- v Mrs. Mansi Sharma (From 20th August, 2018 to 1st March, 2019)
- vi Mrs. Ami Munjal Shah (upto 25th September, 2018)
- vii Mr. Harsh Bhansali (w.e.f. 24.03.2020)
- viii Mr. Ajit Sharma (w.e.f. 05.04.2019)

**II Key Managerial Personnel Relatives**

- i Mrs. Ami Munjal Shah
- ii Mrs. Niranjana Shah
- iii Mrs. Kajal Bhansali
- iv Mr. Anish Mehta
- v Mr. Amit Mahajan
- vi Mr. Harsh Bhansali (upto 23.03.2020)



**A Transactions with Related Parties :****(Rs. in Lakhs)**

Nature of Transactions	Name of the Related Parties	2019-20	2018-19
<b>Transactions with other Related Parties:</b>			
<b>Advance Against Property</b>	Mr. Munjal Sharad Shah	-	146.00
<b>Advance return back on the cancellation of contract</b>	Mr. Munjal Sharad Shah	-	146.00
<b>Director Sitting Fees</b>	Mr. Sharad Shah	13.00	7.00
<b>Managerial Remuneration</b>	Mr. Munjal Sharad Shah	62.74	39.00
	Mrs. Shilpa Amit Mahajan	13.02	12.00
	Mr. Sharad Shah	-	9.00
	Mrs. Ami Munjal Shah	-	7.50
	Mrs. Mansi Sharma	-	3.44
	Mr. Prasanta Barua	-	5.89
	Mr. Harsh Bhansali	0.26	-
	Mr. Ajit Sharma	9.54	-
<b>Salary to relatives</b>	Mr. Harsh Bhansali	12.71	12.00
	Mrs. Kajal Bhansali	13.38	10.50
	Mrs. Ami Munjal Shah	31.91	15.00
	Mr. Amit Mahajan	12.24	12.00
	Mr. Anish Mehta	4.36	3.35
<b>Advance to Employee Given</b>	Mr. Harsh Bhansali	6.51	-
	Mrs. Ami Munjal Shah	4.00	-
	Mr. Anish Mehta	2.76	-
<b>Advance to Employee Recovered</b>	Mr. Harsh Bhansali	6.51	-
	Mrs. Ami Munjal Shah	4.00	-
<b>Rent Expense</b>	Mr. Munjal Sharad Shah	0.40	-
<b>Loans Taken</b>	Mr. Munjal Sharad Shah	2,471.93	293.00
	Mr. Sharad Shah	92.48	63.58
<b>Loans Repaid</b>	Mr. Munjal Sharad Shah	1,017.05	298.38
	Mr. Sharad Shah	119.41	18.68
	Mrs. Ami Munjal Shah	-	1.10

(Rs. in Lakhs)

Name of the Related Parties	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>B. Balance with other Related Parties:</b>		
<b>Current-Borrowings - Loan</b>		
Mr. Munjal S. Shah	1,460.15	5.27
Mr. Sharad Virji Shah	17.97	44.90
<b>Other Payable (Rent Payable)</b>		
Mr. Munjal S. Shah	0.40	-
<b>Other Payables (Salary and Director Sitting Fees Payable)</b>		
Mr. Munjal S. Shah	6.18	0.88
Mr. Sharad Virji Shah	-	2.79
Mrs. Ami Munjal Shah	1.49	2.18
Mrs. Shilpa Mahajan	0.89	0.49
Mr. Harsh Bhansali	0.97	1.84
Mrs. Kajal Bhansali	2.29	4.23
Mr. Amit Mahajan	0.89	0.82
Mr. Anish Mehta	0.28	0.28
Mr. Ajit Sharma	0.85	-
Mr. Sharad Virji Shah	0.31	-
<b>Loans (Given to employees against Salary)</b>		
Mr. Anish Mehta	2.76	-

(Rs in Lakhs)

C. Compensation to Key Management Personnel of the Company	2019-20	2018-19
Nature of transaction		
Short-term employee benefits	85.56	76.83
Post-employment benefits	8.13	8.64
<b>Total compensation to Key Management Personnel</b>	<b>93.69</b>	<b>85.47</b>

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

- CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs.40.05 lakhs (Previous year : Rs 22.47 Lakhs).
- Expenditure incurred related to Corporate Social Responsibility is Rs. 40.50 Lakhs (Previous year : Rs 22.61 Lakhs).

**Details of Expenditure incurred towards CSR given below:**

(Rs in Lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year Ended 31.03.2019
Environmental Sustainability and Animal Welfare	3.00	18.76
Health Care, Sanitation and providing Drinking Water	37.00	3.34
Promotion and Development of Traditional Art and Culture, Community Welfare	-	0.51
Rural Development	0.50	-
<b>TOTAL</b>	<b>40.50</b>	<b>22.61</b>

**NOTE: 36 FAIR VALUES****36.1 Financial Instruments by category:**

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

**i) Financial Assets / Liabilities measured at Fair Value:-****(Rs in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	<b>Financial Assets designated at Fair Value through profit and loss:-</b>	
- Investments	5.00	5.00

**ii) Financial Assets / Liabilities designated at Amortised Cost:-****(Rs in Lakhs)**

Particulars	As at 31.03.2020		As at 31.03.2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets :</b>				
<b>Financial Assets designated at Amortised Cost:-</b>				
- Trade Receivable	9,759.99	9,759.99	8,322.72	8,322.72
- Cash and cash equivalents	125.36	125.36	17.88	17.88
- Bank Balance other than Cash and Cash Equivalents	312.60	312.60	167.83	167.83
- Loans	3.33	3.33	15.14	15.14
- Others	91.69	91.69	93.80	93.80
<b>TOTAL</b>	<b>10,292.97</b>	<b>10,292.97</b>	<b>8,617.37</b>	<b>8,617.37</b>
<b>Financial Liabilities :</b>				
<b>Financial Liabilities designated at Amortised Cost:-</b>				
- Borrowings	9,694.75	9,694.75	7,612.50	7,612.50
- Lease Liabilities	10.12	10.12	-	-
- Trade Payable	2,704.26	2,704.26	5,325.17	5,325.17
- Other Financial Liabilities	891.24	891.24	1,116.00	1,116.00
<b>TOTAL</b>	<b>13,300.37</b>	<b>13,300.37</b>	<b>14,053.67</b>	<b>14,053.67</b>

**36.2 Fair Valuation techniques used to determine Fair Value**

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

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

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

**36.3 Fair Value Hierarchy**

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

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

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

PARTICULARS	<b>(Rs in Lakhs)</b>		
	Level 1	Level 2	Level 3
	<b>31.03.2020</b>		
<b>Financial Assets</b>			
<b>Financial Assets designated at Fair Value through profit and loss:-</b>			
Investments #	-	-	5.00
	<b>31.03.2019</b>		
<b>Financial Assets</b>			
<b>Financial Assets designated at Fair Value through profit and loss:-</b>			
Investments #	-	-	5.00

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

**NOTE: 37**  
**FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES**

The Group is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the Group under policies approved by the Board of Directors of the respective Company in the Group. This Risk management plan defines how risks associated with the Group will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the respective Company in the Group. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk / benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties (e.g. Board etc.). The results of these activities ensure that risk management plan is effective in the long term.

**37.1 Market Risk and Sensitivity:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise mainly two types of risk: foreign currency rate risk, interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The sensitivity analysis relate to the position as at 31st March, 2020 and 31st March, 2019.

**Foreign Currency Exchange Risk and Sensitivity**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Group's operating activities. The Group transacts business primarily in USD and Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign currency exchange risk. The Group regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

The following table demonstrates the sensitivity in the USD, EURO, GBP, SGD and Euro to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax (PBT) due to changes in the fair values of monetary assets and liabilities is given below:

Unhedged Foreign currency exposure as at 31st March, 2020	Currency	Amount in FC	Rs. in lakhs
Trade Receivable	USD	25,16,293	1,903.95
Trade Receivable	EURO	1,01,552	84.05
Trade Payable	USD	15,88,651	1,202.05
Trade Payable	EURO	24,419	20.21
Trade Payable	SGD	800	0.42
Trade Payable	GBP	4,318	4.04

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

(a) **Foreign Currency Sensitivity**

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

(Rs. in Lakhs)

Particulars	2019-20		2018-19	
	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)
USD	14.04	(14.04)	(2.78)	2.78
EURO	1.28	(1.28)	(0.20)	0.20
GBP	(0.08)	0.08	(0.16)	0.16
SGD	(0.01)	0.01	(0.01)	0.01
<b>Increase / (Decrease) in Profit Before Tax</b>	<b>15.23</b>	<b>(15.23)</b>	<b>(3.15)</b>	<b>3.15</b>

**(b) Interest Rate Risk and Sensitivity:**

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

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

Particulars	(Rs. in Lakhs)			
	2019-20		2018-19	
	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)
Working Capital Facility	(89.99)	(89.99)	(73.94)	(73.94)
Term Loan From Banks	(79.82)	(79.82)	(85.07)	(85.07)
<b>Increase / (Decrease) in Profit Before Tax</b>	<b>(169.81)</b>	<b>169.81</b>	<b>(159.01)</b>	<b>159.01</b>

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

**37.2 Credit Risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**(a) Trade Receivables:**

The Group measures the expected credit loss of trade receivables, which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Group has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the trade receivable and provision made.

Particulars	(Rs. in Lakhs)			
	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	10,259.39	499.40	8,687.23	364.51

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

Particulars	(Rs. in Lakhs)	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Opening Balances	364.51	297.74
Provided during the year	134.89	66.77
<b>Closing Balances</b>	<b>499.40</b>	<b>364.51</b>

**(b) Financial Instruments and Cash Deposits:-**

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Group's finance department. Investment of surplus funds are also managed by finance department. The Group does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, the finance department assesses and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

**37.3 Liquidity Risk:**

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

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

(Rs. in Lakhs)

PARTICULARS	Maturity				Total
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	
<b>As at 31st March, 2020</b>					
Non Current Borrowings	-	-	2,913.57	768.62	3,682.19
Lease Liabilities			10.12		10.12
Short Term Borrowings	6,019.71				6,019.71
Trade Payable	-	2,704.26	-	-	2,704.26
Other Financial Liabilities	-	891.24	-	-	891.24
<b>Total</b>	<b>6,019.71</b>	<b>3,595.51</b>	<b>2,923.69</b>	<b>768.62</b>	<b>13,307.52</b>
<b>As at 31st March, 2019</b>					
Non Current Borrowings	-	-	2,901.29	926.18	3,827.47
Short Term Borrowings	3,792.59	-	-	-	3,792.59
Trade Payable	-	5,325.17	-	-	5,325.17
Other Financial Liabilities	-	1,116.00	-	-	1,116.00
<b>Total</b>	<b>3,792.59</b>	<b>6,441.17</b>	<b>2,901.29</b>	<b>926.18</b>	<b>14,061.23</b>

### 37.4 Competition and Price Risk

The Group faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

### 38 CAPITAL RISK MANAGEMENT

For the purpose of Group's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Group's capital management is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances, non current bank deposits. Equity comprises all components including other comprehensive income.

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

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Total Debt	10,339.50	8,495.15
Less: Cash and cash equivalent	125.36	17.88
Less: Other Bank Balances	312.60	167.83
Less: Non current Bank Deposits	28.13	42.43
<b>Net Debt</b>	<b>9,873.41</b>	<b>8,267.01</b>
Equity	17,262.29	15,236.65
<b>Total Capital (Equity + Net Debts)</b>	<b>27,135.70</b>	<b>23,503.66</b>
<b>Gearing ratio</b>	<b>36.39%</b>	<b>35.17%</b>

**NOTE: 39**

The outbreak of the Corona Virus Diseases 2019 ('COVID-19') spread throughout the world and became a global Pandemic. The pandemic triggered a significant downturn globally and the challenging market conditions could continue for an extended period of time. From end of March 2020, offices and manufacturing facilities were shut down to contain the spread of COVID-19 and maintain the well-being of employees and stakeholders, including customers. The Group Started its offices and Manufacturing facilities from May 2020 at lower capacity as per the instruction of the State/Local Government. The duration of the production and supply chain disruptions, and their related financial impacts, cannot be determined at this juncture.

In assessing the recoverability of assets such as Intangible assets, Investments, Trade receivables, Inventories, etc. the Group has considered the internal and external information. The Company has performed the sensitivity analysis on the assumptions used basis the internal and external information and expects to recover the carrying amount of assets.

**NOTE: 40  
ASSETS HELD FOR SALE**

Description of the assets held for sale	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Flat - Guest House	250.66	-
<b>Total</b>	<b>250.66</b>	-

**40.1** During the year , the Board of Director of the Holding Company at its meeting held on 19th December, 2019 has decided to sell above mentioned assets and accordingly , those assets are classified as assets held for sale.

**NOTE: 41  
GROUP INFORMATION**

Name	Principal Place of Business	% Equity interest	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>A</b>			
<b><u>Indian subsidiaries</u></b>			
Holland Shielding Systems (India) Private Limited *	India	-	100%
Paras Aerospace Solutions Private Limited	India	100%	100%
Paras Green Optics Private Limited	India	100%	100%
Paras Strategic Technologies Private Limited	India	100%	100%
<b>B</b>			
<b><u>Overseas subsidiaries</u></b>			
OPEL Technologies PTE Ltd (Formerly known as Paras Space Technologies PTE Ltd)	Singapore	100%	100%

\* The Board of Directors of the Holland Shielding Systems (India) Private Limited (wholly owned subsidiary) at their meeting held on March 17, 2020 has approved the resolution to make an application to the registrar of the Companies for removal of its name from the register of the companies. Accordingly, the subsidiary company has made an application effective from March 17, 2020 to the Registrar of the Companies, pursuant to section 248(2) of the Companies Act, 2013 and it has written off all its assets and written back all its liabilities. According the Company not considered the same for the reporting purpose.

## NOTE : 42 SEGMENT REPORTING

- A. Segment information as per Indian Accounting Standard - 108 - "Operating Segments" :  
The chief operating decision maker ( CODM ) has identified following reportable segments of its business.
- Heavy Engineering
  - Defence & Space Optics
  - Defence Electronics

### I Segment wise Revenue

(Rs. in Lakhs)

PARTICULARS	For the Year ended	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Segment Revenue</b>		
a. Heavy Engineering	6,412.94	6,011.12
b. Defence & Space Optics	5,110.22	4,742.35
c. Defence Electronics	3,181.12	4,686.47
<b>Income From Operations</b>	<b>14,704.28</b>	<b>15,439.94</b>
<b>Segment Results</b>		
a. Heavy Engineering	1,149.96	1,046.79
b. Defence & Space Optics	3,403.89	3,462.82
c. Defence Electronics	320.48	838.27
<b>Total</b>	<b>4,874.33</b>	<b>5,347.88</b>
i) Finance Costs	(977.27)	(938.52)
ii) Other unallocable expenditure	(1,918.62)	(2,005.28)
iii) Unallocable Income	200.78	277.01
<b>Profit before exceptional items and Tax</b>	<b>2,179.22</b>	<b>2,681.09</b>
Exceptional items	-	-
<b>Profit Before Tax</b>	<b>2,179.22</b>	<b>2,681.09</b>

### II Segment wise Assets and Liabilities:

(Rs. in Lakhs)

PARTICULARS	As at	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March, 2019
<b>Segment Assets</b>		
a. Heavy Engineering	14,249.12	14,148.95
b. Defence & Space Optics	11,429.47	9,897.35
c. Defence Electronics	4,830.38	5,389.61
d. Unallocable	3,729.65	3,538.73
<b>Total</b>	<b>34,238.62</b>	<b>32,974.64</b>
<b>Segment Liabilities</b>		
a. Heavy Engineering	759.12	1,810.98
b. Defence & Space Optics	1,039.36	3,008.02
c. Defence Electronics	968.39	618.05
d. Unallocable	14,209.46	12,300.94
<b>Total</b>	<b>16,976.33</b>	<b>17,737.99</b>



III	Other Informations	(Rs. in Lakhs)	
		For the Year ended	
		31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
	<b>PARTICULARS</b>		
	<b>Capital Expenditure</b>	440.36	965.62
	<b>Depreciation</b>	971.19	940.55
	<b>Non-cash Expenses other than Depreciation</b>	<b>184.89</b>	<b>66.77</b>

**B. Segment Identification, Reportable Segments and definition of each segment :**

**a. Reportable Segments :**

The Group's operating segments are established on the basis of those components that are evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and in assessing performance. These have been identified and reported taking into account the differing risks and returns, nature of products, the organisational structure and the internal reporting system of the Group.

**b. Primary / Secondary Segment Reporting Format :**

- i) The risk-return profile of the Group's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.
- ii) Since all the operations of the Group are predominantly conducted within India, there are no separate reportable segments.
- iii) No Non-Current Assets of the Company is located outside India as on 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2019

**IV. Segment Composition :**

- a. Heavy Engineering segment is engaged in manufacture and sale of Flow Formed Rockets/ Missile Motor Tubes, Radar Array cooling assemblies for Naval Applications, Turnkey projects.
- b. Defence & Space Optics Segment comprises of manufacture and sale of Infra Red Lenses for Night Vision Devices, Space Optics/Gratings/Mirrors, Reflex Sights, Precision Diamond Turned components.
- c. Defence Electronics Segment comprises of Defence Automation & Control systems, Rugged Command & Control Consoles and EMP Solutions

**V Information about major customers:**

- a. Revenue from operations include Rs. 9427.42 Lakhs (31st March, 2019 : 5210.65 Lakhs) from four customers (31st March, 2019: two customers) having more than 10% of the total revenue.

**NOTE : 43  
DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION - 31ST MARCH, 2020 AND 31ST MARCH, 2019**

Name of the entity	For the Year ended 31 <sup>st</sup> March, 2020					For the Year ended 31 <sup>st</sup> March, 2019				
	As at 31 <sup>st</sup> March, 2020		Share in Profit or Loss		Other Comprehensive Income	As at 31 <sup>st</sup> March, 2019		Share in Profit or Loss		Other Comprehensive Income
	As % of net consolidated net assets	Amount (Rs. In Lakhs)	As % of net consolidated profit or loss	Amount (Rs. In Lakhs)	As % of net consolidated profit or loss	Amount (Rs. In Lakhs)	As % of net consolidated profit or loss	Amount (Rs. In Lakhs)	As % of net consolidated profit or loss	Amount (Rs. In Lakhs)
<b>Parent</b>										
Paras Defence and Space Technologies Ltd.	100.22%	17,299.92	101.57%	1,996.69	-100%	60.09				2,056.78
<b>Indian subsidiaries</b>										
Paras Aerospace Solutions Private Limited	-0.10%	(17.95)	-0.95%	(18.74)	-	-	-0.93%	(18.74)		(18.74)
Paras Green Optics Private Limited	-0.06%	(9.78)	-0.52%	(10.16)	-	-	-0.50%	(10.16)		(10.16)
Paras Strategic Technologies Private Limited	-0.06%	(10.89)	-0.60%	(11.89)	-	-	-0.59%	(11.89)		(11.89)
<b>Overseas subsidiaries</b>										
Paras Space Technologies PTE Ltd	0.02%	3.78	0.45%	8.89	-	-	0.44%	8.89		8.89
Adjustments arising out of Consolidation	-0.02%	(2.79)	0.05%	0.94	0.00	(0.19)	0.04%	0.76		0.76
	<b>100.00%</b>	<b>17,262.29</b>	<b>100.0%</b>	<b>1,965.74</b>	<b>-100.0%</b>	<b>59.90</b>	<b>100.0%</b>	<b>2,025.64</b>		<b>2,025.64</b>
<b>Parent</b>										
Paras Defence and Space Technologies Ltd.	100.04%	15,243.14	100.36%	1,903.88	-100.00%	(43.76)				1860.1167
<b>Subsidiaries</b>										
<b>Indian</b>										
Holland Shielding Systems (India) Private Limited	0.00%	0.07	-0.05%	(0.93)	-	-	-0.05%	-0.93074		-0.93074
Paras Green Optics Private Limited	0.00%	0.52	-0.03%	(0.48)	-	-	-0.03%	-0.48		-0.48
Paras Aerospace Solutions Private Limited	0.01%	0.79	-0.01%	(0.21)	-	-	-0.01%	-0.21		-0.21
Paras Strategic Technologies Private Limited	0.01%	0.86	-0.01%	(0.14)	-	-	-0.01%	-0.14		-0.14
<b>Foreign</b>										
Paras Space Technologies PTE Ltd	-0.03%	(5.03)	-0.27%	(5.08)	-	-	-0.27%	-5.08		-5.08
Adjustments arising out of Consolidation	-0.02%	(3.70)	0.00%	-	-	-	-	-		-
	<b>100.00%</b>	<b>15,236.65</b>	<b>100.00%</b>	<b>1,897.04</b>	<b>-100.00%</b>	<b>(43.76)</b>	<b>100.00%</b>	<b>1,853.28</b>		<b>1,853.28</b>

**NOTE : 44 PROVISION**

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

Nature of Provision	(Rs in Lakhs)			
	Provision for Expected Credit loss on Trade Receivable	Provision for Doubtful Advance	Provision for Stamp Duty	Total
<b>As at 31st March, 2018</b>	<b>297.74</b>	-	<b>35.00</b>	<b>332.74</b>
Provision during the Year	66.77	-	-	66.77
Payment during the Year	-	-	(35.00)	(35.00)
<b>As at 31st March, 2019</b>	<b>364.51</b>	-	-	<b>364.51</b>
Provision during the Year	134.89	50.00	-	184.89
<b>As at 31st March, 2020</b>	<b>499.40</b>	<b>50.00</b>	-	<b>549.40</b>

**NOTE : 45**

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

**NOTE : 46**

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

As per our report of even date

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

For and on behalf of the Board of Directors

**MUNJAL SHAH**

Managing Director

DIN: 01080863

**SHARAD SHAH**

Chairman and Director

DIN: 00622001

**R. KORIA**

Partner

Membership No. 35629

**HARSH BHANSALI**

Chief Financial Officer

**AJIT SHARMA**

Company Secretary

Membership No. F10165

**Place: Mumbai**

**Date : 14th September, 2020**



## ATTENDANCE SLIP

Please fill the Attendance Slip and hand it over at the entrance of the Meeting Hall.

Folio No.:

DP Id No.:

Client Id No.:

Name & Address of Shareholder:

No. of Shares held:

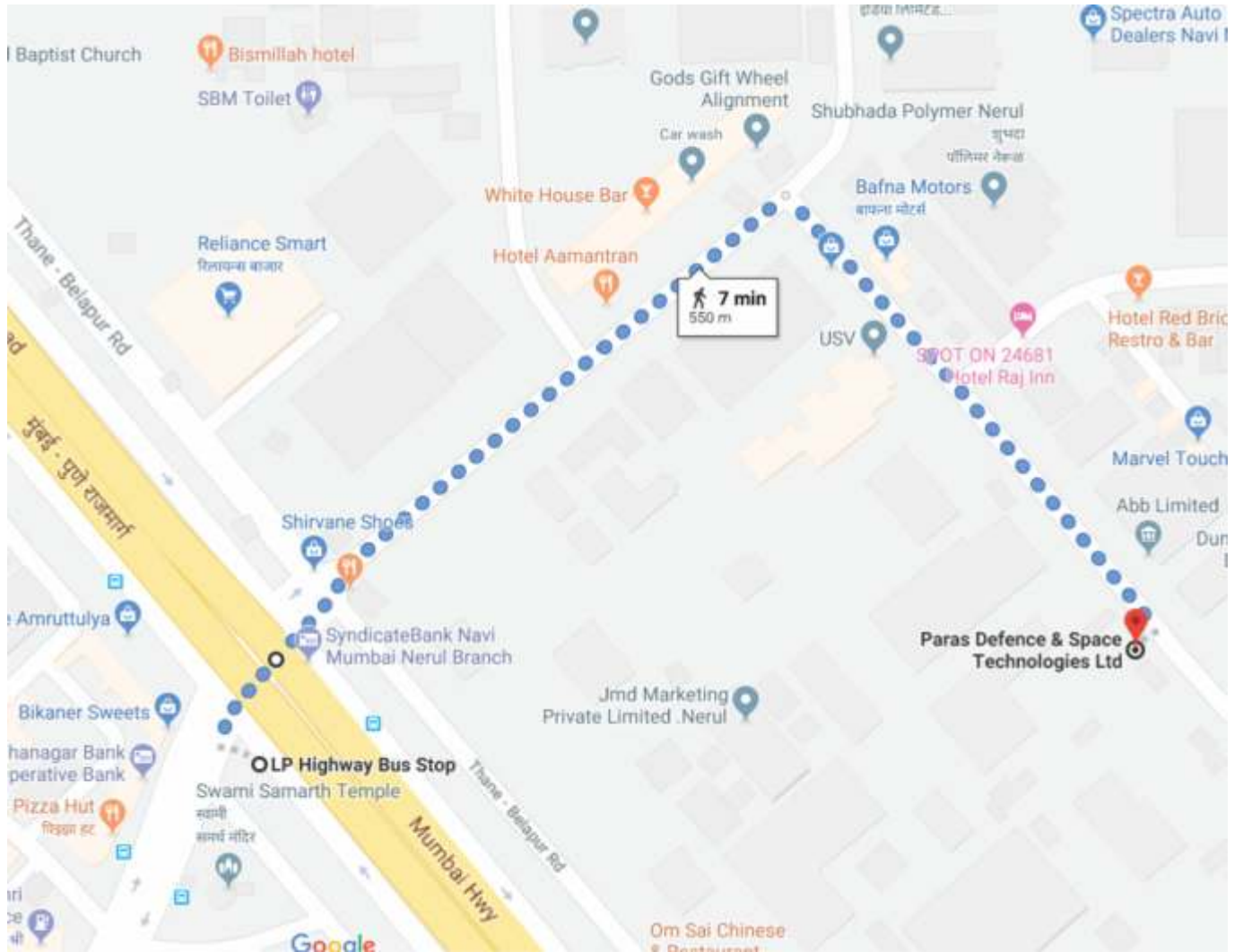
I hereby record my presence at the Annual General Meeting of the Company on 17th day, November, 2020 at 11.30 A.M. at the registered office of the Company situated at D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai - 400706. Maharashtra, India.

Signature of the Shareholder/Proxy



**ROUTE MAP FOR AGM VENUE:**

D-112, TTC INDUSTRIAL AREA, MIDC, NERUL, NAVI MUMBAI – 400706.





# FORM MGT-11

## PROXY FORM

[Pusuant to section 105(6) of the companies Act, 2013 and rule 19(3) of the companies (Management and Administration) Rules, 2014]

CIN: U29253MH2009PLC193352

### PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

D-112, TTC Industrial Area, MIDC, Nerul,  
Navi Mumbai, Mumbai City-400706, Maharashtra, India

Name of the member (s):

Registered Address:

Email Id:

DP ID:

I/We, being the member (s) of \_\_\_\_\_ shares of the above named Company, hereby Appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_

as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the \_\_\_\_\_ General Meeting of the Company held on \_\_\_\_\_ day of \_\_\_\_\_ At \_\_\_\_\_ A.M/P.M the registered office of the Company situated at D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai City-400708, Maharashtra, India and at any adjournment thereof in respect of such resolutions are indicated below:

Resolution No.:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

Signed this.....day of.....20.....

Affix  
Revenue  
stamp

Signature of Shareholder



Signature of proxy holder(s)





**Registered Office**

D-112, TTC Industrial Area MIDC, Nerul, Navi Mumbai - 400706,  
Maharashtra, India.

Email: [business@parasdefence.com](mailto:business@parasdefence.com) | Telephone: +91-9820964964 / +91-9820965965