



PARAS DEFENCE & SPACE TECHNOLOGIES LIMITED

Corporate & Registered Office :

D-112, TTC Indl. Area, Nerul, Navi Mumbai - 400706, India | Tel : +91-22-6919 9999 | Fax : +91-22-6919 9990
CIN # L29253MH2009PLC193352 | E-mail : business@parasdefence.com | Web : www.parasdefence.com

May 16, 2023

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai - 400 001
Scrip Code: 543367

National Stock Exchange of India Limited

Exchange Plaza, Plot C/1, G Block,
Bandra - Kurla Complex,
Bandra - (East), Mumbai - 400 051
Trading Symbol: PARAS

Dear Sir/Madam,

Subject: Outcome of Board Meeting of the Company held on May 16, 2023

In continuation of our letter dated May 09, 2023 and pursuant to Regulation 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform that Board of Directors at their meeting held today (i.e. May 16, 2023) have approved the following agenda items *inter alia*:

- Audited Financial Results of the Company, both Standalone and Consolidated, for the Quarter and Year ended March 31, 2023 together with segment revenue, statement of Assets & Liabilities and Audited Financial Statements;
- Reports from the Statutory Auditors of the Company on the aforesaid Standalone and Consolidated Financial Results. The Auditors have issued the said Reports with unmodified opinion.

The meeting of the Board of Directors commenced at 05:00 p.m. and concluded at **6:15 p.m.**

Kindly acknowledge the receipt.

Thanking you,

For Paras Defence and Space Technologies Limited


Hemalkumar Hiranbhai Sagalia
Company Secretary & Compliance Officer



Encl.: as above

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

TO,
THE BOARD OF DIRECTORS OF
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of Audited Standalone Financial Results of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** ("the Company") for the quarter and year ended March 31, 2023 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total other comprehensive income and other financial information for the quarter and year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* 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 together with the ethical requirements that are relevant to our audit of the Statement 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Management's Responsibilities for the Standalone Financial Results

The Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the audited standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and total other comprehensive income and other financial information in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

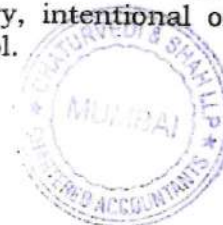
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Company's ability 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 Statement 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 Statement, including the disclosures, and whether the Statement represents 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.



Other Matter

The Statement includes the results for the quarter ended March 31, 2023 and March 31, 2022 being the balancing figures between audited figures of the respective full financial year and the published year to date figures up to the nine months ended December 31, 2022 and 2021.

Our opinion is not modified in respect of above matter.

Chaturvedi & Shah LLP

Chartered Accountants

Firm Reg. No. 101720W / W100355

Anuj Bhatia

Partner

Membership No. 122179

UDIN No.: 23122179BGQWTH7248



Mumbai

Date: May 16, 2023



PARAS DEFENCE & SPACE TECHNOLOGIES LIMITED

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PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED					
Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2023					
(Rs. in Lakhs, except per equity share data)					
PARTICULARS	Quarter Ended			Year Ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
1. Income					
a) Revenue from Operations	5,805	6,012	6,047	21,428	18,000
b) Other Income	81	551	136	833	301
Total Income	5,886	6,563	6,183	22,261	18,301
2. Expenses					
a) Cost of Materials Consumed	1,855	2,263	3,332	9,674	7,694
b) Purchase of Stock-in-Trade	904	677	35	1,697	492
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	264	(228)	(247)	(1,030)	(72)
d) Employee Benefits Expense	563	557	372	2,041	1,436
e) Finance Costs	196	364	197	621	778
f) Depreciation and Amortisation Expense	272	269	264	1,068	1,082
g) Other Expenses	855	1,227	789	3,518	3,302
Total Expenses	4,909	5,129	4,742	17,589	14,662
3. Profit Before Exceptional Items and Tax (1-2)	977	1,434	1,441	4,672	3,639
4. Exceptional Items	-	-	-	-	-
5. Profit Before Tax (3-4)	977	1,434	1,441	4,672	3,639
6. Tax Expenses					
Current tax	250	316	375	1,173	1,008
Deferred Tax	(94)	67	24	(29)	(60)
Income Tax for Earlier Years	(65)	-	-	(65)	-
7. Profit for the period / year (5-6)	886	1,051	1,042	3,593	2,691
8. Other Comprehensive Income (OCI)					
(i) Item that will not be reclassified to profit or loss					
Remeasurement Losses / (Gains) on Defined Benefit Plans	7	1	27	8	1
Tax Effect on above	(2)	(0)	(7)	(2)	(0)
(ii) Item that will be reclassified to profit or loss					
Total Other Comprehensive Income (Net of Tax)	5	1	20	6	1
9. Total Comprehensive Income for the period / year (7-8)	881	1,050	1,022	3,587	2,690
10. Paid-up Equity Share Capital (Face Value per share : Rs. 10/- each)	3,900	3,900	3,900	3,900	3,900
11. Other Equity excluding Revaluation Reserve as per Balance Sheet				33,230	29,679
12. Earnings Per Share (of Rs. 10/- each)					
a) Basic (Not Annualised) *	2.27*	2.69*	2.67*	9.21	7.73
b) Diluted (Not Annualised) *	2.27*	2.69*	2.67*	9.21	7.73



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Notes :

- 1 The aforesaid Audited Standalone Financial Results for the quarter and year ended March 31, 2023 ("Financial Results") of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 16, 2023.
- 2 During the previous year, the Company has completed its Initial Public Offering (IPO) of 97,58,776 equity shares of face value of Rs.10 each for cash at an issue price of Rs. 175 per equity share aggregating to Rs. 17,078 Lakhs, consisting of Fresh Issue of 80,34,286 equity shares amounting to Rs. 14,060 Lakhs and an offer for sale of 17,24,490 equity shares amounting to Rs. 3,018 Lakhs by the Selling Shareholders. The utilisation of net proceeds of IPO (excluding IPO expenses) is summarised below:

Objects of the issue as per prospectus	Amount to be utilised	(Rs in Lakhs)	
		Utilisation up to March 31, 2023	Unutilised amount as on March 31, 2023#
Purchase of machinery and equipment	3,466	1,567	1,899
Funding incremental working capital requirements of the Company	6,000	6,000	-
Repayment or prepayment, in full or part certain borrowings/outstanding loan facilities of the Company	1,200	1,200	-
General corporate purposes	1,779	1,779	-
Net	12,445	10,546	1,899

As at March 31, 2023, un-utilised IPO proceeds amounting to Rs. 1,500 Lakhs is temporarily invested in term deposits with scheduled commercial bank and balance including interest are lying with monitoring agency account.

Un-utilised amount of Rs. 1,899 Lakhs towards the purchase of machinery and equipment is proposed to be utilised/deployed during the Financial Year 2023-24 for purchase of machinery and equipment and construction of building / civil work as approved by the shareholders of the Company through the e-voting postal ballot, on May 3, 2023.

- 3 During the year ended March 31, 2023, as approved by the Board of Directors of the Company, the Company acquired 15,20,000 equity shares (i.e. 58.02% of total equity shares) of Ayatti innovative Private Limited (AIPL) for Rs. 699 Lakhs and AIPL became the subsidiary of the Company.
- 4 The Financial Results includes the figures for the quarter ended March 31, 2023 and March 31, 2022 being the balancing figures between audited figures in respect of the figures of the respective full financial year and year to date figures up to the nine months ended December 31, 2022 and December 31, 2021 respectively.
- 5 The figures for the corresponding previous period/ year have been regrouped/rearranged wherever necessary, to make them comparable.



For Paras Defence and Space Technologies Limited

Munjal Shah
Managing Director
DIN : 01080863
Date - May 16, 2023
Place - Navi Mumbai

Audited Standalone Segment Information for the Quarter and Year ended March 31, 2023

Segment wise Revenue, Results, Assets & Liabilities

(Rs. In Lakhs)

PARTICULARS	Quarter Ended			Year Ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
1. Segment Revenue					
a. Heavy Engineering	3,731	1,128	1,039	6,882	4,186
b. Defence & Space Optics	567	1,927	3,523	7,132	9,234
c. Defence Electronics	1,507	2,957	1,485	7,414	4,580
Revenue from Operations	5,805	6,012	6,047	21,428	18,000
2. Segment Results					
a. Heavy Engineering	1,505	162	76	1,999	531
b. Defence & Space Optics	140	1,289	1,774	3,939	5,083
c. Defence Electronics	100	987	278	1,456	608
Total	1,745	2,438	2,128	7,394	6,222
Less : i) Finance Cost	(196)	(364)	(197)	(621)	(778)
ii) Other Un-allocable Expenditure	(653)	(1,191)	(626)	(2,934)	(2,106)
Add : iii) Unallocated Income	81	551	136	833	301
Profit Before Exceptional Items and Tax	977	1,434	1,441	4,672	3,639
Less : Exceptional Items					
Profit Before Tax	977	1,434	1,441	4,672	3,639
3. Segment Assets					
a. Heavy Engineering	11,229	11,964	9,806	11,229	9,806
b. Defence & Space Optics	19,180	19,688	18,090	19,180	18,090
c. Defence Electronics	9,764	9,247	6,066	9,764	6,066
d. Unallocable	10,146	8,913	11,487	10,146	11,487
Total Segment Assets	50,319	49,812	45,449	50,319	45,449
4. Segment Liabilities					
a. Heavy Engineering	668	398	181	668	181
b. Defence & Space Optics	822	677	719	822	719
c. Defence Electronics	3,999	1,294	643	3,999	643
d. Unallocable	3,517	7,001	6,144	3,517	6,144
Total Segment Liabilities	9,006	9,370	7,687	9,006	7,687

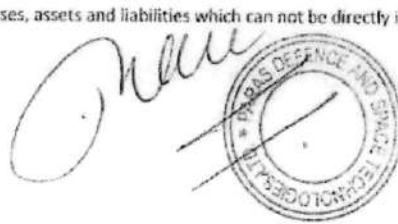
Note: As per Indian Accounting Standard 108 'Operating Segments', the chief operating decision maker of the Company has identified following reportable segments of its business:

(i) Heavy Engineering segment is engaged in manufacturing and sale of Flow Formed Rockets/ Missile Motor Tubes , Submarine periscope, Electromechanical assemblies and Turnkey projects.

(ii) Defence & Space Optics Segment comprises of manufacturing and sale of Infra Red Lenses for Night Vision Devices, Space Optics/Gratings/Mirrors, integrated opto mechanical Assemblies and Precision Diamond Turned components.

(iii) Defence Electronics Segment comprises of Defence Automation & Control systems, Rugged Command & Control Consoles and EMP Solutions.

(iv) Unallocated:- Consists of other income, expenses, assets and liabilities which can not be directly identified to any of the above segments.



Audited Standalone Balance Sheet as at March 31, 2023

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
A ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment	14,036	13,471
(b) Capital Work in Progress	381	50
(c) Investment property	1,697	1,783
(d) Intangible Assets	82	97
(e) Financial Assets		
(i) Investments	1,924	415
(ii) Loans	2	-
(iii) Other Financial Assets	1,215	84
(f) Other Non Current Assets	702	166
Total Non Current Assets	20,039	16,066
2. Current Assets		
(a) Inventories	9,149	6,641
(b) Financial Assets		
(i) Trade Receivables	14,478	12,175
(ii) Cash and Cash Equivalents	1,559	166
(iii) Bank Balances other than (ii) above	2,152	7,275
(iv) Loans	1,235	7
(v) Other Financial Assets	49	235
(c) Other Current Assets	1,658	2,733
Total Current Assets	30,280	29,232
Assets held for Sale	-	151
TOTAL ASSETS	50,319	45,449
B EQUITY AND LIABILITIES		
1. EQUITY		
(a) Equity Share Capital	3,900	3,900
(b) Other Equity	37,413	33,862
Total Equity	41,313	37,762
2. LIABILITIES		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Other Financial Liabilities	-	10
(b) Deferred Tax Liabilities (Net)	2,117	2,113
(c) Provisions	200	133
(d) Other non current Liabilities	-	12
Total Non Current Liabilities	2,317	2,268
3. Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	2,913
(ii) Trade Payables		
Total Outstanding due of Micro Enterprises and Small Enterprises	287	126
Total outstanding due of Creditors other than Micro Enterprises and Small Enterprises	2,187	1,398
(iii) Other Financial Liabilities	430	337
(b) Other Current Liabilities	2,982	58
(c) Provisions	25	21
(d) Current Tax Liabilities (Net)	778	566
Total Current Liabilities	6,689	5,419
TOTAL EQUITY AND LIABILITIES	50,319	45,449



Audited Standalone Statement of Cash Flows for the year ended March 31, 2023

(Rs. in Lakhs)

PARTICULARS	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per the Statement of Profit and Loss	4,672	3,639
ADJUSTED FOR		
Depreciation and Amortisation Expense	1,068	1,032
Interest Income	(288)	(132)
Dividend Income	(1)	-
Finance Costs	621	778
Loss on sale of Property, Plant and Equipment (Net)	6	6
Bad Debts / Advances written off (Net)	88	234
Provision for Expected Credit Loss	164	138
(Reversal)/Provision for Credit Impaired	(10)	48
Gain on Financial Instruments measured at fair value through profit or loss	(442)	(47)
Unrealised (Gain)/Loss on Foreign Currency Transactions (net)	(3)	10
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,875	5,706
ADJUSTED FOR		
Trade and Other Receivables	(1,443)	(4,103)
Inventories	(2,508)	796
Trade and Other Payables	3,969	57
CASH GENERATED FROM OPERATIONS	5,893	2,456
Direct Taxes including Interest (Paid)	(943)	(1,177)
NET CASH GENERATED FROM OPERATING ACTIVITIES	4,950	1,279
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Intangible assets, Capital Work-in-Progress and Intangible Assets under Development	(2,319)	(836)
Sale of Property, Plant and Equipment & Asset held for Sale	155	261
Investment in subsidiary Company	(699)	(60)
Investment in Associate Company	(48)	(5)
Purchase of Non - Current Investment	(521)	(188)
Sale of Non Current-Investment	201	-
Inter Corporate Deposits given to Subsidiary Company	(120)	-
Inter- corporate deposit given to Others	(1,100)	-
Interest Income	378	58
Dividend Income	1	-
Temporary deposits/Balances of IPO Proceeds/Utilised	5,024	(6,979)
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	952	(7,749)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Issue of Fresh Equity Shares	-	15,700 *
Redemption of 0.01% Optionally Convertible Preference Shares	-	(1,397)
Repayment of Non Current Borrowings	-	(3,801)
Current Borrowings (Net)	(2,913)	(2,259)
Payment related to Initial Public Offering	(40)	(1,220) *
Finance Costs	(545)	(908)
Margin Money (Net)	(1,011)	119
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES	(4,509)	6,234
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,393	(236)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	166	402
Effect of Exchange rate on Cash and Cash Equivalents	0	0
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	1,559	166

*Does not include Rs. 3,018 Lakhs received towards offer for sale of 17,24,490 equity shares of Rs. 10/- by the Selling Shareholders and through IPO and proportionate expenses for the same.



Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated Financial Results of the Company Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
**THE BOARD OF DIRECTORS OF
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Audited Consolidated Financial Results of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** ("the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together refer to "the Group") and its associate for the quarter and year ended March 31, 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit report of the other auditors on separate financials statements/financial information of a subsidiary and associate referred to in Other Matter section below, the Statement:

- i. Includes the financial information of following subsidiaries and an associate company:

Subsidiaries:

- a) Paras Aerospace Private Limited
- b) Paras Anti Drone Technologies Private Limited
- c) Paras Green Optics Private Limited
- d) Ayatti Innovative Private Limited
- e) OPEL Technologies PTE Ltd (incorporated and place of business at Singapore)

Associate Company:

- a) Krasny Paras Defence Technologies Private Limited
- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and



- iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and total other comprehensive income and other financial information of the Group and its associate for the quarter and year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Statement 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 Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

The Statement, which is the responsibility of the Holding Company's management and approved by its Board of Directors, has been prepared on the basis of the audited consolidated financial statements.

The Holding Company's Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net profit and total other comprehensive income and other financial information of the Group including its associate in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the Companies included in the Group and of its associate 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 its associate 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 Statement 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 Statement by the Directors of the Holding Company, as aforesaid.



In preparing the Statement, the respective Board of Directors of the Companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities 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 and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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 control 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 control with reference to consolidated financial statements in place and the operating effectiveness of such control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' 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 and its associate 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 Statement 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 and of its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/information of the entities within the Group and its associate, of which we are the independent auditors, and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors 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 of the Holding Company and such other entity included in the Statement of which we are the Independent auditors 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.

We also performed procedures in accordance with the Circular issued by the Securities Exchange Board of India under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



Other Matter

- a) The Statement include the audited results of 2 subsidiaries, whose financial statements/information reflect total assets of Rs. 1,886 Lakhs as at March 31, 2023, total revenue of Rs. 1,060 Lakhs and Rs. 2,791 Lakhs, total net (loss) after tax Rs. (0) Lakhs and Rs. (13) Lakhs and total comprehensive income of Rs. (0) Lakhs and Rs. (13) Lakhs for the quarter and year ended March 31, 2023 respectively, and cash inflow of Rs. 34 Lakhs for the year ended March 31, 2023, as considered in the Statement. The Statement also includes the Group's share of net (loss) after tax of Rs. (1) Lakh and Rs. (13) Lakhs and total comprehensive income of Rs. (1) Lakh and Rs. (13) Lakhs for the quarter and year ended March 31, 2023 respectively, as considered in the Statement in respect of an associate. These financial statements/information have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amount and disclosures included in respect of these subsidiaries and an associate is based solely on the report of the other auditors and procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of other auditors.

- b) The Statement includes the results for the quarter ended March 31, 2023 and March 31, 2022 being the balancing figures between audited figures of the respective full financial year and the published year to date figures up to the nine months ended December 31, 2022 and 2021.

Our opinion is not modified in respect of above matter.

For CHATURVEDI & SHAH LLP

Chartered Accountants

Firm Reg. No. 101720W / W100355


Anuj Bhatia

Partner

Membership No. 122179

UDIN No.: 23122179BGQWTI4805



Place: Mumbai

Date: May 16, 2023



PARAS DEFENCE & SPACE TECHNOLOGIES LIMITED

Corporate & Registered Office:

D-112, TTC Indl. Area, Nerul, Navi Mumbai - 400706, India | Tel : +91-22-6919 9999 | Fax : +91-22-6919 9990
CIN # L29253MH2009PLC193352 | E-mail : business@parasdefence.com | Web : www.parasdefence.com

PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED					
Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2023					
(Rs. in Lakhs, except per equity share data)					
PARTICULARS	Quarter Ended			Year Ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
1	Income				
	a) Revenue from Operations	6,510	6,088	6,124	22,243
	b) Other Income	75	547	136	822
	Total Income	6,585	6,635	6,260	23,065
2	Expenses				
	a) Cost of Materials Consumed	2,096	2,293	3,342	9,968
	b) Purchase of Stock-in-Trade	872	698	55	1,715
	c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	261	(258)	(266)	(1,147)
	d) Employee Benefits Expense	621	594	387	2,187
	e) Finance Costs	213	378	200	672
	f) Depreciation and Amortisation Expense	295	291	267	1,127
	g) Other Expenses	939	1,342	842	3,845
	Total Expenses	5,297	5,338	4,827	18,367
3	Profit Before Share of Profit/ loss of Associates, Exceptional Items and tax (1-2)	1,288	1,297	1,433	4,698
4	Share of Profit/ (loss) of Associates	(1)	1	0	(13)
5	Profit Before exceptional Items and Tax (3+4)	1,287	1,298	1,433	4,685
6	Exceptional Items	-	-	-	-
7	Profit Before Tax (5-6)	1,287	1,298	1,433	4,685
8	Tax Expenses				
	Current tax	261	316	374	1,185
	Deferred Tax	(93)	65	24	(30)
	Income Tax for Earlier Years	(65)	-	-	(65)
9	Profit for the period / year (7-8)	1,184	917	1,035	3,595
10	Other Comprehensive Income (OCI)				
	(i) Items that will not be reclassified to profit or loss	7	0	27	8
	(ii) Income tax relating to items that will not be reclassified to profit and loss	(2)	(0)	(7)	(2)
	(iii) Items that will be reclassified to profit or loss	-	(1)	(1)	(6)
	(iv) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-
	Total Other Comprehensive Income (Net of Tax)	5	(1)	19	-
11	Total Comprehensive Income for the period / year (9-10)	1,179	918	1,016	3,595
12	Net Profit attributable to				
	(a) Owners of the Company	1,076	976	1,030	3,607
	(b) Non-Controlling Interest	108	(59)	5	(12)
13	Other Comprehensive Income attributable to				
	(a) Owners of the Company	5	(1)	19	-
	(b) Non-Controlling Interest	-	-	-	-
14	Total Comprehensive Income attributable to				
	(a) Owners of the Company	1,071	977	1,011	3,607
	(b) Non-Controlling Interest	108	(59)	5	(12)
15	Paid-up Equity Share Capital (Face Value per share : Rs. 10/- each)	3,900	3,900	3,900	3,900
16	Other Equity excluding Revaluation Reserve as per Balance sheet				33,242
17	Earnings Per Share (of Rs. 10/- each)				
	a) Basic (Not Annualised) *	2.76*	2.50*	2.66*	9.25
	b) Diluted (Not Annualised) *	2.76*	2.50*	2.66*	9.25

Heavy Engineering Divn. : M-6, Addl. MIDC, Amalner, Dist. Jalgaon - 421506, Maharashtra, India | Tel : +91-251-2620 333 | Fax : +91-251-2621 222
R & D Centre : No.1, 9th Cross, 9th Main, Mallerjwaram, Bengaluru - 560 003, India | Tel : +91-80-2346 4139 | Fax : +91-80-2346 4142



Notes :

- 1 The aforesaid Audited Consolidated Financial Results for the quarter and year ended March 31, 2023 ("Financial Results") of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 16, 2023.
- 2 During the previous year, the Company has completed its Initial Public Offering (IPO) of 97,58,776 equity shares of face value of Rs.10 each for cash at an issue price of Rs. 175 per equity share aggregating to Rs. 17,078 Lakhs, consisting of Fresh Issue of 80,34,286 equity shares amounting to Rs. 14,060 Lakhs and an offer for sale of 17,24,490 equity shares amounting to Rs. 3,018 Lakhs by the Selling Shareholders. The utilisation of net proceeds of IPO (excluding IPO expenses) is summarised below:

Objects of the issue as per prospectus	Amount to be utilised	Utilisation up to March 31, 2023	(Rs in Lakhs)
			Unutilised amount as on March 31, 2023#
Purchase of machinery and equipment	3,466	1,567	1,899
Funding incremental working capital requirements of the Company	6,000	6,000	-
Repayment or prepayment, in full or part certain borrowings/outstanding loan facilities of the Company	1,200	1,200	-
General corporate purposes	1,779	1,779	-
Net	12,445	10,546	1,899

As at March 31, 2023, un-utilised IPO proceeds amounting to Rs. 1,900 Lakhs is temporarily invested in term deposits with scheduled commercial bank and balance including interest are lying with monitoring agency account.

Un-utilised amount of Rs. 1,899 Lakhs towards the purchase of machinery and equipment is proposed to be utilised/deployed during the Financial Year 2023-24 for purchase of machinery and equipment and construction of building / civil work as approved by the shareholders of the Company through the e-voting postal ballot, on May 3, 2023.

- 3 During the year ended March 31, 2023, as approved by the Board of Directors of the Company, the Company acquired 15,20,000 equity shares (i.e. 58.02% of total equity shares) of Ayatti Innovative Private Limited (AIPL) for Rs. 699 Lakhs and AIPL became the subsidiary of the Company.
- 4 The Financial Results includes the figures for the quarter ended March 31, 2023 and March 31, 2022 being the balancing figures between audited figures in respect of the figures of the respective full financial year and year to date figures up to the nine months ended December 31, 2022 and December 31, 2021 respectively.
- 5 The figures for the corresponding previous period/ year have been regrouped/rearranged wherever necessary, to make them comparable.



For Paras Defence and Space Technologies Limited

Munjal Shah
Managing Director
DIN : 01080863
Date - May 16, 2023
Place - Navi Mumbai

Audited Consolidated Segment Information for the Quarter and year ended March 31, 2023

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

Segment wise Revenue, Results, Assets & Liabilities

PARTICULARS	(Rs. in Lakhs)				
	Quarter Ended		Year Ended		
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
1. Segment Revenue					
a. Heavy Engineering	3,731	1,128	1,040	6,882	4,186
b. Defence & Space Optics	571	1,927	3,526	7,136	9,237
c. Defence Electronics	2,208	3,033	1,558	8,225	4,833
Revenue from Operations	6,510	6,088	6,124	22,243	18,256
2. Segment Results					
a. Heavy Engineering	1,472	153	76	1,957	531
b. Defence & Space Optics	142	1,289	1,776	3,941	5,085
c. Defence Electronics	380	916	290	1,583	676
Total	1,994	2,358	2,142	7,481	6,292
Less : i) Finance Cost	(213)	(378)	(200)	(677)	(783)
ii) Other Un-allocable Expenditure	(568)	(1,230)	(645)	(2,933)	(2,149)
Add : iii) Unallocated Income	75	547	136	822	297
Less : i) Share of Profit/ (loss) of Associates	(1)	1	0	(13)	(0)
Profit Before Exceptional Items and Tax	1,287	1,298	1,433	4,685	3,657
Less : Exceptional Items					
Profit Before Tax	1,287	1,298	1,433	4,685	3,657
3. Segment Assets					
a. Heavy Engineering	11,926	12,510	9,806	11,926	9,806
b. Defence & Space Optics	19,184	19,095	18,093	19,184	18,093
c. Defence Electronics	10,694	9,775	6,293	10,694	6,293
d. Unallocable	10,250	9,168	11,575	10,250	11,575
Total Segment Assets	52,054	51,548	45,767	52,054	45,767
4. Segment Liabilities					
a. Heavy Engineering	737	455	181	737	181
b. Defence & Space Optics	823	677	719	823	719
c. Defence Electronics	4,163	1,483	645	4,163	645
d. Unallocable	4,986	8,355	6,369	4,986	6,369
Total Segment Liabilities	10,709	10,970	7,914	10,709	7,914

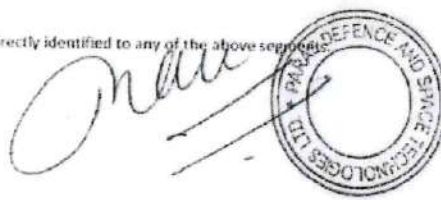
Note: As per Indian Accounting Standard 108 'Operating Segments', the chief operating decision maker of the Company has identified following reportable segments of its business:

(i) Heavy Engineering segment is engaged in manufacturing and sale of Flow Formed Rockets/ Missile Motor Tubes , Submarine periscope, Electromechanical assemblies and Turnkey projects.

(ii) Defence & Space Optics Segment comprises of manufacturing and sale of Infra Red Lenses for Night Vision Devices, Space Optics/Gratings/Mirrors, integrated opto mechanical Assemblies and Precision Diamond Turned components.

(iii) Defence Electronics Segment comprises of Defence Automation & Control systems, Rugged Command & Control Consoles, EMP Solutions and Aerospace subsystems and accessories.

(iv) Unallocated:- Consists of other income, expenses, assets and liabilities which can not be directly identified to any of the above segments.



(Rs. in Lakhs)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
A ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment	14,524	13,486
(b) Capital Work in Progress	452	50
(c) Investment property	1,697	1,783
(d) Intangible Assets	88	97
(e) Goodwill	645	-
(f) Financial Assets		
(i) Investments	1,151	352
(ii) Loans	2	-
(iii) Other Financial Assets	1,215	84
(g) Non Current Tax Assets	-	3
(h) Deferred Tax Assets (Net)	4	-
(i) Other Non Current Assets	724	171
Total Non Current Assets	20,502	16,026
2. Current Assets		
(a) Inventories	9,339	6,663
(b) Financial Assets		
(i) Trade Receivables	15,031	12,297
(ii) Cash and Cash Equivalents	1,711	218
(iii) Bank Balances other than (ii) above	2,317	7,376
(iv) Loans	1,144	7
(v) Other Financial Assets	51	239
(c) Other Current Assets	1,959	2,790
Total Current Assets	31,552	29,590
Assets held for Sale	-	151
TOTAL ASSETS	52,054	45,767
B EQUITY AND LIABILITIES		
1. EQUITY		
(a) Equity Share Capital	3,900	3,900
(b) Other Equity	37,425	33,916
Equity attributable to Owners	41,325	37,816
Non Controlling Interest	20	37
Total Equity	41,345	37,853
2. LIABILITIES		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	95	-
(ii) Other Financial Liabilities	-	10
(b) Deferred Tax Liabilities (Net)	2,119	2,112
(c) Provisions	200	133
(d) Other non current Liabilities	-	12
Total Non Current Liabilities	2,414	2,267
3. Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,368	3,108
(ii) Trade Payables		
Total Outstanding due of Micro Enterprises and Small Enterprises	293	129
Total outstanding due of Creditors other than Micro Enterprises and Small Enterprises	2,319	1,398
(iii) Other Financial Liabilities	483	358
(b) Other Current Liabilities	3,020	61
(c) Provisions	25	21
(d) Current Tax Liabilities (Net)	787	572
Total Current Liabilities	8,295	5,647
TOTAL EQUITY AND LIABILITIES	52,054	45,767



Audited Consolidated Statement of Cash Flows for the year ended March 31, 2023

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per the Statement of Profit and Loss	4,685	3,657
ADJUSTED FOR		
Depreciation and Amortisation Expense	1,127	1,042
Share of loss of Associate Company	13	-
Interest Income	(293)	(134)
Dividend Income	(1)	-
Finance Costs	672	783
Loss on sale of Property, Plant and Equipment (Net)	6	6
Bad Debts / Advances written off (Net)	91	234
Provision for Expected Credit Loss	164	148
(Reversal)/Provision for Credit Impaired	(10)	48
Gain on Financial Instruments measured at fair value through profit or loss	(442)	(47)
Unrealised (Gain) / Loss on Foreign Currency Transactions (net)	(3)	10
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6,009	5,747
ADJUSTED FOR		
Trade and Other Receivables	(1,869)	(4,290)
Inventories	(2,676)	809
Trade and Other Payables	4,059	66
CASH GENERATED FROM OPERATIONS	5,523	2,332
Direct Taxes including Interest (Paid)	(948)	(1,181)
NET CASH GENERATED FROM OPERATING ACTIVITIES	4,575	1,151
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Intangible assets, Capital Work-in-Progress and Intangible Assets under Development	(2,533)	(860)
Sale of Property, Plant and Equipment & Asset held for Sale	155	261
Investment in Subsidiary Company	(570)	-
Investment in Associate Company	(48)	(5)
Purchase of Non current Investment	(523)	(188)
Sale of Non current Investment	201	-
Inter-corporate deposit given	(1,130)	-
Interest Income	384	60
Dividend Income	1	-
Temporary deposits/Balances of IPO Proceeds/Utilised	5,024	(6,979)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	961	(7,711)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Issue of Fresh Equity Shares	-	15,700
Proceeds from Issue of Shares to Non Controlling Interest	-	40
Redemption of 0.01% Optionally Convertible Preference Shares	-	(1,397)
Proceed from Non Current Borrowings	120	-
Repayment of Non Current Borrowings	(5)	(3,801)
Current Borrowings (Net)	(2,475)	(2,122)
Payment related to Initial Public Offering	(40)	(1,220)
Finance Costs	(595)	(912)
Margin Money (Net)	(1,074)	22
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(4,069)	6,310
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,467	(250)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	218	468
Add: Pursuant to the acquisition of Subsidiary Company	26	-
Effect of Exchange rate on Cash and Cash Equivalents	0	0
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	1,711	218

*Does not include Rs. 3,018 Lakh received towards offer for sale of 17,24,490 equity shares of Rs. 10/- by the Selling Shareholders and through IPO and proportionate expenses for the same.

