Evidence Pack: PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Standalone · FY2024-25 (year to 2025-03-31) with FY2023-24 comparatives · Rs Crore · generated 2026-10-31

2 of 12 flags raised. Integrity checks: 2 of 2 passed (balance sheet balances; cash flow adds up).

Revenue from operations	Profit for the period	Total assets
Rs 334 Cr	**Rs 65 Cr**	**Rs 831 Cr**

Cash conversion (ongoing)	Debt to equity	Contingent liabilities to equity
0.44x	**0.00x**	**–**

What deserves a closer look

⚑ Receivables grew much faster than sales
Customers may be paying more slowly, or sales may be pushed with easy credit.
Numbers: (281.83 - 180.13) ÷ 180.13 × 100 - (333.85 - 232.43) ÷ 232.43 × 100 = 12.82

⚑ Less than 0.8 of ongoing profit arrived as cash
A large gap between profit and operating cash flow is a common early sign of earnings quality problems.
Numbers: 28.56 ÷ (65.07 - 0.00) = 0.44

Checked and clear: Profit went up but operating cash flow went down, Borrowings went up while cash could repay them, Interest cover below 3x, One-off gains make up more than 10% of profit, Auditor's report is qualified or has reservations, Auditor fees grew much faster than revenue, Other income is more than 25% of profit before tax, Doubtful loans to related parties above 0.5% of equity.

Not checked: Contingent liabilities above 25% of equity; Contingent liabilities grew more than 50% in a year. *Why:* The filing tags this as nil, but its own contingent liabilities note lists amounts in text, so the tagged figure is not used. Read the note in the annual report.

Source: AR_XBRL_PARAS_23092025180818.xml · SHA-256 `fa30dcb1402a57c2b165126b205f34b7f1e3554bef5143ef6848f00fad43299b`
Taxonomy: https://www.mca.gov.in/V3XBRL/2017/07/16/Taxonomy/Ind/in-ci-ent-2017-03-31.xsd · Definitions v1.4.1 · Generator v1.1.1
Every number in this pack is read from the XBRL filing above; nothing is estimated. Page 6 shows the inputs behind every flag.

2. Earnings quality: are the profits real?

Profitability and growth as filed, then whether profit turned into cash and how much came from outside the core business.

Profitability and growth

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Net profit margin Out of every Rs 100 of sales, how many rupees are left as profit.	19.49%	14.73%	`65.07 ÷ 333.85 × 100 = 19.49%`
EBITDA margin Operating earnings before interest, tax and depreciation, per Rs 100 of sales. Caution: Built from profit before tax, so it includes other income and any exceptional items.	31.71%	26.09%	`(86.81 + 5.52 + 13.54) ÷ 333.85 × 100 = 31.71%`
Return on equity Profit earned on every Rs 100 of the owners' money. Caution: Uses year-end equity, not the average of opening and closing.	10.11%	7.66%	`65.07 ÷ 643.47 × 100 = 10.11%`
Return on capital employed Profit before interest and tax earned on all long-term money in the business, owners' and lenders'. Caution: Uses year-end capital employed, not the average.	13.85%	10.29%	`(86.81 + 5.52) ÷ (830.97 - 164.11) × 100 = 13.85%`
Revenue growth How much sales grew compared with the year before.	43.63%	–	`(333.85 - 232.43) ÷ 232.43 × 100 = 43.63%`
Profit growth How much profit grew compared with the year before. Caution: Misleading when last year's profit was a loss or near zero.	90.10%	–	`(65.07 - 34.23) ÷ 34.23 × 100 = 90.10%`

Quality of earnings

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Cash conversion (ongoing business) How much of the profit from the ongoing business actually arrived as cash. Around 1 or more is healthy. Caution: Profit from a business sold or demerged is taken out because it is usually an accounting gain, not cash. Operating cash flow may still include that business's cash for the part of the year it was owned.	0.44x	-0.50x	`28.56 ÷ (65.07 - 0.00) = 0.44x`

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Other income share of profit How much of pre-tax profit comes from outside the core business (interest, dividends, gains).	13.66%	20.93%	`11.86 ÷ 86.81 × 100 = 13.66%`
Receivable days Roughly how many days of sales are still waiting to be collected from customers. Caution: Uses year-end receivables, not the average.	308 days	283 days	`281.83 ÷ 333.85 × 365 = 308 days`
Bad-debt allowance coverage Share of gross customer dues already provided for as possibly uncollectable. Caution: Neither high nor low is good on its own: compare with the company's own history and with peers. Read from sliced data; the method is shown under the allowance.	0.00%	0.00%	`0.00 ÷ (281.83 + 0.00) × 100 = 0.00%`

Growth can be calculated for the current year only, because a filing holds two years. Ratios use year-end figures, not averages.

3. Balance sheet and hidden obligations

Debt and liquidity, then obligations that sit outside the balance sheet.

Debt and liquidity

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Debt to equity How many rupees of borrowings the company has for each rupee of owners' money. **Data note:** May include Current Maturities of Long-term Borrowings combined (confirmed: L&T)	0.00x	0.08x	`(0.00 + 0.00) ÷ 643.47 = 0.00x`
Net debt Borrowings left after using all cash and short-term investments. Below zero means more cash than debt. **Data note:** May include Current Maturities of Long-term Borrowings combined (confirmed: L&T)	Rs -29.91 Cr	Rs 32.42 Cr	`0.00 + 0.00 - 29.91 - 0.00 = Rs -29.91 Cr`
Interest cover How many times profit before interest covers the interest bill. Below 3 is thin.	16.73x	12.59x	`(86.81 + 5.52) ÷ 5.52 = 16.73x`
Current ratio Whether short-term assets are enough to pay short-term bills. Above 1 is comfortable.	3.50x	2.77x	`574.08 ÷ 164.11 = 3.50x`

Off-balance-sheet: contingent liabilities

ITEM	THIS YEAR	LAST YEAR	XBRL TAG
Contingent liabilities	–	–	`ContingentLiabilities`

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Contingent liabilities to equity Possible obligations not on the balance sheet (claims, disputes, guarantees) compared with the owners' money. Caution: Includes guarantees given for group companies where the filing does; a large share can be normal for a group parent.	–	–	`Contingent liabilities is not available from this filing (The filing tags this as nil, but its own contingent liabilities note lists amounts in text, so the tagged figure is not used. Read the note in the annual report.)`

4. Related parties: where money goes inside the group

19 related parties with transactions this year; 10 carry a CIN (the MCA company number), so they can be looked up in their own filings.

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Sales to related parties Share of revenue that comes from the company's own group and other related parties. Caution: Sums the per-party schedule; not available where a filing tags related parties only as text.	8.96%	10.55%	`29.90 ÷ 333.85 × 100 = 8.96%`

Totals by type of transaction (Rs Cr)

TRANSACTION TYPE	TOTAL THIS YEAR
Contributions received	34.78
Sales to the party	29.90
Contributions made	20.97
Other expenses paid	5.50
Other income received	4.23
Purchases from the party	2.55

Largest counterparties by total value of transactions

PARTY	CIN	TOTAL (RS CR)	LARGEST FLOWS
OPEL TECHNOLOGIES PRIVATE LIMITED Subsidiaries	U65999WB1997PTC086193	30.61	Sales to the party 29.89; Other expenses paid 0.66; Purchases from the party 0.06
PARAS AEROSPACE PRIVATE LIMITED Subsidiaries	U74999MH2019PTC413219	24.96	Contributions received 18.00; Contributions made 4.51; Other income received 2.45
PARAS ANTI-DRONE TECHNOLOGIES PRIVATE LIMITED Subsidiaries	U74999MH2019PTC321808	22.19	Contributions received 10.87; Contributions made 10.18; Other income received 0.56
MECHTECH THERMAL PRIVATE LIMITED Subsidiaries	U74100TS2024PTC180963	7.35	Contributions made 4.85; Contributions received 1.74; Other income received 0.64
DEFSPACE TECHNOLOGIES PRIVATE LIMITED Other related parties	U74999MH2020PTC345630	5.19	Contributions received 2.80; Purchases from the party 2.31; Other income received 0.08

PARTY	CIN	TOTAL (RS CR)	LARGEST FLOWS
AYATTI INNOVATIVE PRIVATE LIMITED Subsidiaries	U28139MH2018PTC413220	2.04	Contributions made 1.06; Contributions received 0.56; Other income received 0.42
Munjal Sharad Shah Key management personnel of entity or parent	–	1.39	Other expenses paid 0.88; Contributions received 0.48; Contributions made 0.03
Harsh Dhirendra Bhansali Key management personnel of entity or parent	–	0.61	Other expenses paid 0.61
Mr. Amit Mahajan Other related parties	–	0.61	Other expenses paid 0.61
Mrs. Ami Munjal Shah Other related parties	–	0.60	Other expenses paid 0.60

Loans to related parties

LOANS TO RELATED PARTIES	THIS YEAR	LAST YEAR
Total lent, before provision	0.00	0.00
Less: provided for as doubtful	0.00	0.00
Net of provision (carrying amount)	0.00	0.00

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Loans to related parties to equity How much of the owners' money is lent to group companies and other related parties.	0.00%	0.00%	`0.00 ÷ 643.47 × 100 = 0.00%`
Related-party loans provided as doubtful Out of every Rs 100 lent to group companies and other related parties, how much is already written down as unlikely to come back.	–	–	`it would divide by zero`

Standalone accounts include sales to the company's own subsidiaries; consolidated accounts remove them. Read related-party shares with the reporting scope in mind.

5. The auditor

Audit opinion	Not qualified (clean opinion) (field `WhetherAuditorsReportHasBeenQualified…`)

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Auditor fee growth How fast the audit bill is growing; compare it with revenue growth.	7.46%	–	`(0.72 - 0.67) ÷ 0.67 × 100 = 7.46%`

Compare auditor fee growth with revenue growth (43.63% this year); a flag is raised when fees grow more than 15 points faster.

CARO: points the auditor must report on

Favourable remarks (9 topics)

Related Party Transaction Compliance	In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the Standalone Financial Statements etc., as required by the applicable accounting standards.
Fraud Reporting	a. Based on our audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year. b. According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by audito...
Default in Repayment of Financial Dues	a. In our opinion and according to the information and explanation given to us and books of account and other records examined by us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender. b. In our opinion, and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financia...
Statutory Dues	a. The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at ...
Cost Records Maintenance	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 Act, 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 t...
Compliance - Sections 185/186	In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, in respect of making investments, granting loans or guarantees or providing securities, as applicable.
Loans	With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the

	year by the Company to Companies, Firms, Limited Liability Partnerships or any other parties: a. As per the information and explanations given to us and books of account and records produced before us, during the year Company has not provided any security ...
Inventories	a. As explained to us and on the basis of the records produced before us, in our opinion, physical verification of the inventories, except for inventories with job workers for which confirmation have been received from such job worker, have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedur...
Fixed Assets	(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment on the basis of available information. (B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information. b. As explained to us, the Company has physically verified certain property, plant and equipment, in...

Favourable remarks (1 topics)

Use of IPO/Term Loan Proceeds	The Company has not raised money by way of Initial Public Offer or Further Public Offer (Including Debt Instruments) and hence provision of clause x(a) of paragraph 3 of the Order are not applicable to the Company.

6. Evidence and limitations

The inputs behind every raised flag and every integrity check, so each can be checked against the filing.

⚑ Receivables grew much faster than sales

Rule: Receivables growth minus revenue growth > 10 percentage points
`(281.83 - 180.13) ÷ 180.13 × 100 - (333.85 - 232.43) ÷ 232.43 × 100 = 12.82 > 10.00 → yes`

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Trade receivables	`TradeReceivablesCurrent`	281.83	
Trade receivables, year before	`TradeReceivablesCurrent`	180.13	
Revenue from operations	`RevenueFromOperations`	333.85	
Revenue from operations, year before	`RevenueFromOperations`	232.43	

⚑ Less than 0.8 of ongoing profit arrived as cash

Rule: Ongoing profit (profit - profit from discontinued operations) > 0 AND operating cash flow ÷ ongoing profit < 0.8
`65.07 - 0.00 = 65.07 > 0.00 → yes`
`28.56 ÷ (65.07 - 0.00) = 0.44 < 0.80 → yes`

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Net cash from operating activities	`CashFlowsFromUsedInOperatingActivities`	28.56	
Profit for the period	`ProfitLossForPeriod`	65.07	
Profit from discontinued operations (after tax)	`ProfitLossFromDiscontinuedOperationsAfterTax`	0 (not reported)	

✓ Balance sheet balances

Rule: Total assets - Total equity and liabilities is within 0.5 Cr of zero
`830.97 - 830.97 = 0.00 <= 0.50 → yes`
`830.97 - 830.97 = 0.00 >= -0.50 → yes`

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Total assets	`Assets`	830.97	
Total equity and liabilities	`EquityAndLiabilities`	830.97	

✓ Cash flow adds up to the change in cash

Rule: (Operating + Investing + Financing + Currency effect) - Change in cash is within 0.5 Cr of zero
`28.56 + -78.14 + 78.02 + 0.00 - 28.44 = 0.00 <= 0.50 → yes`
`28.56 + -78.14 + 78.02 + 0.00 - 28.44 = 0.00 >= -0.50 → yes`

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Net cash from operating activities	`CashFlowsFromUsedInOperatingActivities`	28.56	

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Net cash from investing activities	`CashFlowsFromUsedInInvestingActivities`	-78.14	
Net cash from financing activities	`CashFlowsFromUsedInFinancingActivities`	78.02	
Effect of exchange rate changes	`EffectOfExchangeRateChangesOnCashAndCashEquivalents`	0.00	
Net change in cash	`IncreaseDecreaseInCashAndCashEquivalents`	28.44	

Source and method

Source file	AR_XBRL_PARAS_23092025180818.xml
SHA-256 fingerprint	`fa30dcb1402a57c2b165126b205f34b7f1e3554bef5143ef6848f00fad43299b`
Periods in the file	this year `I2025` (2025-03-31) · last year `I2024` (2024-03-31)
Taxonomy	https://www.mca.gov.in/V3XBRL/2017/07/16/Taxonomy/Ind/in-ci-ent-2017-03-31.xsd
Definitions	v1.4.1: formulas and thresholds are kept in one versioned file

Limitations

- Two years only (this year and last year), from one filing. No multi-year trends.
- Non-financial companies only. Banks, NBFCs and insurers use different layouts and are not covered.
- Receivable ageing and capital-work-in-progress ageing are not tagged in these filings and are not covered.
- Ratios use year-end values, not averages. Thresholds are common analyst rules of thumb, stated with each flag.
- Where a filing tags only text (for example a related-party schedule), the pack says so instead of estimating.

Descriptive analysis of a public regulatory filing. Not investment advice, a credit rating or an audit opinion. Flags are reasons to look closer.