



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 # U29253MH2009PLC193352 | E-mail : business@parasdefence.com | Web : www.parasdefence.com

May 14, 2022

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai - 400 001

National Stock Exchange of India Limited

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

Scrip Code: 543367

Trading Symbol: PARAS

Dear Sir,

Sub.: Statement of deviation or variation in the use of proceeds of Initial Public Offer (IPO) of the Company

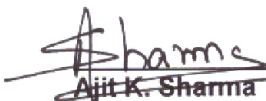
Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that there is no deviation or variation in the use of proceeds, from the objects stated in the prospectus for Initial Public Offer (IPO) of the Company dated September 25, 2021. A statement confirming that there is no deviation or variation in the utilisation of proceeds, duly reviewed by the Audit Committee and approved by the Board of Directors is enclosed.

Out of the total funds received, as on March 31, 2022, Rs. 660.00 million was held in the form of Fixed Deposits with Kotak Mahindra Bank Limited and Rs. 32.50 million is lying in the Monitoring Agency Account held with Kotak Mahindra Bank Limited and was yet to be utilized. The balance amount of Rs. 6.39 million has been utilized for the objects as stated in the Prospectus of the Company dated September 25, 2021.

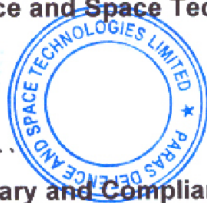
Request you to please take the above on record and disseminate the same on your respective portals.

Thanking You.

For Paras Defence and Space Technologies Limited


Ajit K. Sharma

Company Secretary and Compliance Officer



Encl.: As stated above



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Annexure

STATEMENT OF UTILISATION OF THE NET PROCEEDS OF INITIAL PUBLIC OFFER (IPO) IN ACCORDANCE WITH THE "OBJECTS OF THE OFFER" GIVEN IN THE PROSPECTUS FOR IPO OF PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED ("THE COMPANY") FOR THE QUARTER ENDED AND AS AT MARCH 31, 2022

Name of the Issuer: Paras Defence and Space Technologies Limited

For quarter ended: March 31, 2022

Name of Monitoring Agency: Kotak Mahindra Bank Limited

1. Deviations from the objects: As on March 31, 2022, there is a variation in the Object clause of purchase of machinery and equipment.
2. Range of Deviation: As per Object clause of IPO prospectus the Company was required to utilise amount of Rs. 346.57 Million for the purchase of machinery and equipment, however Rs. 332.40 Million remained unutilised as on March 31, 2022. In respect of it the Company has obtained the approval of Shareholders by way of Postal ballot as on May 3, 2022 and the period for utilisation has been extended up to Fiscal year 2023.

3. Issuer Details

| | |
|---|--|
| Name of the Issuer | Paras Defence and Space Technologies Limited |
| The names of the promoters of the issuer: | 1. Sharad Virji Shah 2. Munjal Sharad Shah. |
| Industry/sector to which it belongs | Defence |

4. Offer Details

| | |
|-------------------------------|--|
| Offer Period | 3 days [September 21, 2021 to September 23, 2021] |
| Type of Offer: | Initial Public Offer |
| Type of specified securities: | Equity Shares |
| IPO Grading, if any: | Not Applicable |
| Offer size (in Rs. Million): | Rs. 1,707.78 Million [the fresh issue is aggregating up to Rs. 1,406.00 Million and the offer for sale was aggregating up to Rs. 301.78 Million] |

| Particulars | Amount (Rs. in Million) |
|--|-------------------------|
| Gross proceeds of the Fresh Issue | 1,406.00 |
| (Less) Offer related expenses in relation to the Fresh Issue # | (161.53) |
| Net Proceeds | 1,244.47 |

including Rs. 5.40 Million lying in the Escrow account as on March 31, 2022

5. Details of object(s):

Cost of object(s):





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| Sr. No. | Item Head | Original Cost (As per offer document) Rs. in Million. | Revised cost Rs. in Million. |
|---------|--|---|------------------------------|
| 1. | Purchase of machinery and equipment; | 346.57 | - |
| 2. | Funding incremental working capital requirements of our Company; | 600.00 | - |
| 3. | Repayment or prepayment of all or a portion of certain borrowings/outstanding loan facilities availed by our Company | 120.00 | - |
| 4. | General corporate purposes | 177.90 | - |
| | Total | 1,244.47 | |

@ As at March 31, 2022, the Company has not revised the above cost of objects.

(ii) Progress in the object(s)-

| Sr. No | Item Head | Amount as proposed in Offer Document (Rs. in Million) | Amount utilized (Rs. in Million) | | | Total unutilized Amount (Rs. in Million) |
|--------|--|---|----------------------------------|--------------------|---------------------------|--|
| | | | As at Beginning of quarter | During the quarter | At the end of the quarter | |
| 1 | Purchase of machinery and equipment; | 346.57 | 07.78 | 6.39* | 14.17 | 332.40 |
| 2 | Funding incremental working capital requirements of our Company; | 600.00 | 240.00 | - | 240.00 | 360.00 |
| 3 | Repayment or prepayment of all or a portion of certain borrowings/outstanding loan facilities availed by our Company | 120.00 | 120.00 | - | 120.00 | - |
| 4 | General corporate purposes | 177.90 | 177.90 | - | 177.90 | - |
| | | 1,244.47 | 545.68 | 6.39 | 552.07 | 692.40 |

* 100% Advance amount given on January 27, 2022 to a foreign vendor for the purchase of machinery, subsequently on May 7, 2022 the machinery received in the factory of the Company.

(iii) Deployment of unutilized IPO proceeds -

| Sr. No | Type of instrument and name of the entity invested in | Amount Invested (Rs. in Million) | Maturity date | Earnings (Pre-Tax) (Rs. in Million) | Return on Investment (ROI %) | Book Value as at the end of quarter* (Rs. in Million) |
|--------|---|----------------------------------|---------------|-------------------------------------|------------------------------|---|
| 1 | Term Deposit (7746084776) – Kotak Mahindra Bank Ltd. | 180.00 | 05.04.2022 | 3.10 | 3.45 | 180.00 |
| 2 | Term Deposit (7746084769) – Kotak Mahindra Bank Ltd. | 180.00 | 05.04.2022 | 3.10 | 3.45 | 180.00 |





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| | | | | | | |
|--------------|--|---------------|------------|--------------|----------|---------------|
| 3 | Term Deposit (7746083670) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 0.86 | 3.45 | 50.00 |
| 4 | Term Deposit (7746083625) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 0.86 | 3.45 | 50.00 |
| 5 | Term Deposit (7746083663) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 0.86 | 3.45 | 50.00 |
| 6 | Term Deposit (7746083618) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 0.86 | 3.45 | 50.00 |
| 7 | Term Deposit (7746083694) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 0.86 | 3.45 | 50.00 |
| 8 | Term Deposit (7746083687) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 0.86 | 3.45 | 50.00 |
| Total | | 660.00 | - | 11.36 | - | 660.00 |

Further, Rs. 32.50 Million is lying in the Kotak Mahindra Bank, Monitoring Agency Account No. 7745097913.

(iv) Delay in implementation of the Object(s) – delay as on March 31, 2022.

| Object(s) Name | Completion Date | | Delay (No. of days/ months) |
|-------------------------------------|-------------------|-----------|-----------------------------|
| | As per Prospectus | Revised ^ | |
| Purchase of machinery and equipment | FY 2022 | FY 2023 | 12 Months |

^The Board of Directors in their meeting held on March 17, 2022 approved and proposed to utilize / deploy the unspent amount of Rs. 332.40 Million in the subsequent fiscal year 2023 towards the purchase of machinery and equipment instead of fiscal year 2022 and the same is approved, subsequent to year end on May 3, 2022, by the shareholders of the Company through the e-voting postal ballot, whose results declared on May 4, 2022.

We confirm that the above information are as per the Prospectus for IPO dated September 25, 2021, the unaudited books of account maintained by the Company, statement and confirmation for the bank accounts and Fixed Deposits received from the Banks and other records maintained by the Company. We further confirm that it is the Company's responsibility to maintain the proper books of account and to account for all the relevant transactions in the books of account.

For **Paras Defence and Space Technologies Limited**

Sharad Virji Shah
Chairman & Director
DIN: 00622001

Place: Navi Mumbai
Date: May 13, 2022

