



# 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 13, 2023

### **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/ Madam,

### **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 as on March 31, 2023 there is a variation in the Object clause of purchase of machinery and equipment as stated in the prospectus for Initial Public Offer (IPO) of the Company dated September 25, 2021. A statement confirming that there is a variation in the utilization 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, 2023, Rs. 150.00 million was held in the form of Fixed Deposits with Kotak Mahindra Bank Limited and Rs. 45.36 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. 81.57 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**

**Hemalkumar Hiranbhai Sagalia**

Company Secretary & 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 MARCH 31, 2023

Name of the Issuer: Paras Defence and Space Technologies Limited

For quarter ended: March 31, 2023

Name of Monitoring Agency: Kotak Mahindra Bank Limited

1. **Deviations from the objects:** As on March 31, 2023 there is a variation in the Object clause of purchase of machinery and equipment.

**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 up to Fiscal year 2022. The Shareholders of the Company by way of Postal ballot on May 4, 2022 approved the unutilised amount of Rs. 332.40 Million as on March 31, 2022 to be utilised up to Fiscal year 2023, however Rs. 189.72 Million were remained unutilised as on March 31, 2023, in respect of it the Company has obtained the approval of Shareholders by way of Postal ballot on May 3, 2023 for purchase of machinery and equipment and construction of building / civil work and the period for utilisation has been extended up to Fiscal year 2024.

### 2. 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	Aerospace & Defence

### 3. 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)
<b>Net Proceeds</b>	<b>1,244.47</b>

# including unutilised amount of Rs.0.94 Million Transferred from escrow account no. 7745097890 to Monitoring Agency Account no. 7745097913 on December 7, 2022 and Rs. 0.02 Million which is lying in resident anchor escrow account as on March 31, 2023.





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#### 4. Details of object(s):

##### (i) Cost of object(s):

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	-
	<b>Total</b>	<b>1,244.47</b>	<b>-</b>

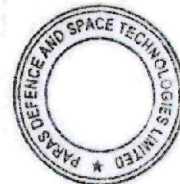
@ As of March 31, 2023, the Company has not revised the above cost of objects.

##### (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 Beginning of the quarter	at the end of the quarter	During the quarter	
1.	Purchase of machinery and equipment;	346.57	75.15	81.57	156.72	189.85 **
2.	Funding incremental working capital requirements of our Company;	600.00	600.00	-	600.00	-
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	-
		<b>1,244.47</b>	<b>973.05</b>	<b>81.57</b>	<b>1,054.62</b>	<b>189.85</b>

\*\* The Members of the Company through postal ballot on May 3, 2023 approved Rs. 189.72 Million; difference is due to TDS and foreign exchange gain.

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### (iii) Deployment of unutilized IPO proceeds –

Sr. No	Type of instrument and name of the entity invested in	Amount invested (Rs. Million)~ in	Maturity date	Earnings (Pre Tax) (Rs. in Million)	Return on Investment (ROI %)	Book Value as at the end of quarter* (Rs. in Million)
1.	TDR 7748025845– Kotak Mahindra Bank Ltd.	50.00	14.09.2023	1.69	6.75	50.00
2.	TDR 7748025852 – Kotak Mahindra Bank Ltd.	50.00	14.09.2023	1.69	6.75	50.00
3.	TDR 7748025869 – Kotak Mahindra Bank Ltd.	50.00	14.09.2023	1.69	6.75	50.00
<b>Total</b>		<b>150.00</b>		<b>5.07</b>		<b>150.00</b>

~ Rs. 150.00 Million invested in fixed deposit and Rs. 45.36 Million is lying in the Kotak Mahindra Bank, Monitoring Agency Account No. 7745097913 including amount transferred from Escrow Account No. 7745097890 and interest on Term Deposit matured during the quarter.

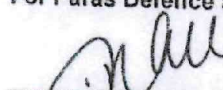
### (iv) Delay in implementation of the Object(s) – delay as on March 31, 2023

Object(s) Name	Completion Date		Delay (No. of days/ months)
	As per Prospectus	Revised ^	
Purchase of machinery and equipment	FY 2022	FY 2024	24 Months

^The Board of Directors in their meeting held on March 17, 2022 and the shareholders of the Company through the e-voting postal ballot on May 4, 2022, approved to utilize / deploy the unspent amount, as on March 31, 2022, of Rs. 332.40 Million in the subsequent fiscal year 2023 towards the purchase of machinery and equipment instead of fiscal year 2022. However in the fiscal year 2023 the Company was not able to utilise full amount for purchase of machinery and equipment; so the Board of Directors of the Company in their meeting held on March 29, 2023 and the shareholders of the Company through the e-voting postal ballot on May 3, 2023 approved to utilise / deploy the unspent amount of Rs. 189.72 Million in the subsequent Fiscal Year 2024 for purchase of machinery and equipment and construction of building / civil work instead of fiscal year 2023.

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

  
Munjal Sharad Shah  
Managing Director  
DIN: 01080863

Navi Mumbai  
May 09, 2023

