



# 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

November 09, 2023

### **BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Fort, Mumbai - 400001

### **National Stock Exchange of India Limited**

Exchange Plaza, Plot C/1, G Block,  
Bandra - Kurla Complex,  
Bandra - (East), Mumbai - 400051

**Scrip Code: 543367**

**Trading Symbol: PARAS**

Dear Sir/Madam,

### **Sub: Monitoring Agency Report for the quarter ended September 30, 2023**

Pursuant to Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 82(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, enclosed please find Monitoring Agency Report for the quarter ended September 30, 2023, issued by Kotak Mahindra Bank Limited, the Monitoring Agency, appointed to monitor the utilisation of net proceeds of the Initial Public Offer (IPO) in accordance with the objects of the offer given in the prospectus for IPO of the Company dated September 25, 2021.

Out of the total funds received, as on September 30, 2023 Fixed Deposit with Kotak Mahindra Bank Limited has nil balance and Rs. 77.35 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. 102.47 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.

Thanking You,

**For Paras Defence and Space Technologies Limited**

**Hemalkumar Hiranbhai Sagalia**

Company Secretary & Compliance Officer

*Encl.: as stated above*



Report of the Monitoring Agency

Name of the Issuer: PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

For quarter ended: September 30, 2023

Name of the Monitoring Agency: Kotak Mahindra Bank Ltd.

(a) Deviation from the objects: As on March 31, 2023 there is a variation in the Object clause of Purchase of Machinery and Equipment but variation is approved by 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.

(b) Range of Deviation\*: It's a period deviation rather than amount deviation

Indicate range of percentage deviation from the amount of issue proceeds earmarked for objects. For example, up to 10%, 10 - 25%, 25-50%, 50-75%, 75-100%, not ascertainable etc.

\* The range of deviation may be computed by taking weighted average of financial deviation of each object in the ratio of issue proceeds allocated for it. Non-financial deviation may be indicated separately by way of notes.

Declaration:

*We declare that this report is based on the format prescribed by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. We further declare that this report provides a true and fair view of the utilization of the Offer proceeds.*

*We declare that we do not have any direct/indirect interest in or relationship with the Company, its promoters, directors, management and also confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the Offer proceeds by the Company.*

*Nirmesh D. Parkeria*

Signature:

Name of the Authorized Person/Signing Authority: *Nirmesh Parkeria*

Designation of Authorized Person/Signing Authority: *Senior Vice President*

Seal of the Monitoring Agency:

Date: *8<sup>th</sup>* November, 2023



**1) Issuer Details:**

Name of the issuer: PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Names of the promoter: Mr. Sharad Virji Shah and Mr. Munjal Sharad Shah

Industry/sector to which it belongs: Defence

**2) Offer Details:**

Offer Period: September 21, 2021 to September 23, 2021

Type of issue (public/rights): Public Issue

Type of specified securities: Equity Shares

Public issue Grading, if any: Not Applicable

Offer size (INR in Million): INR 1707.78 million [the fresh issue is aggregating up to Rs. 1406.0 million and the offer for sale was aggregating up to INR 301.78 million]

**3) Details of the arrangement made to ensure the monitoring of Offer proceeds:**
**i. Purchase of machinery and equipment**

Particulars	Reply	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Prospectus?	Yes/No	No. Object is deferred to FY24	As per the special resolution approved by the shareholders the utilization has been deferred to FY24.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Prospectus?	Yes/No	Yes	Yes. Shareholders approval by way Postal Ballot have been sought.
Whether the means of finance for the disclosed Objects of the Offer has changed?	Yes/No	No	No
Is there any major deviation observed over the earlier monitoring agency reports?	Yes/No	No	No
Whether all Government/statutory approvals related to the Object(s) of the Offer have been obtained?	Yes/No	NA	NA
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes/No	NA	NA
Are there any favorable events improving the viability of these Object(s) of the Offer?	Yes/No	NA	NA
Are there any unfavorable events affecting the viability of the Object(s) of the Offer?	Yes/No	No	No
Is there any other relevant information that may materially affect the decision making of the investors?	Yes/No	No	No

**ii. Funding incremental working capital requirements of the Company**

Particulars	Reply	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Prospectus?	Yes/No	Yes	Yes







Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Prospectus?	Yes/No	NA	NA
Whether the means of finance for the disclosed Objects of the Offer has changed?	Yes/No	No	No
Is there any major deviation observed over the earlier monitoring agency reports?	Yes/No	No	No
Whether all Government/statutory approvals related to the Object(s) of the Offer have been obtained?	Yes/No	NA	NA
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes/No	NA	NA
Are there any favorable events improving the viability of these Object(s) of the Offer?	Yes/No	NA	NA
Are there any unfavorable events affecting the viability of the Object(s) of the Offer?	Yes/No	No	No
Is there any other relevant information that may materially affect the decision making of the investors?	Yes/No	No	No

**iii. Repayment or prepayment of all or a portion of certain borrowings / outstanding loan facilities availed by the Company**

Particulars	Reply	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Prospectus?	Yes/No	Yes	Yes
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Prospectus?	Yes/No	NA	NA
Whether the means of finance for the disclosed Objects of the Offer has changed?	Yes/No	No	No
Is there any major deviation observed over the earlier monitoring agency reports?	Yes/No	No	No
Whether all Government/statutory approvals related to the Object(s) of the Offer have been obtained?	Yes/No	NA	NA
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes/No	NA	NA
Are there any favorable events improving the viability of these Object(s) of the Offer?	Yes/No	NA	NA
Are there any unfavorable events affecting the viability of the Object(s) of the Offer?	Yes/No	No	No
Is there any other relevant information that may materially affect the decision making of the investors?	Yes/No	No	No



**4) Details of Object(s) of the Offer to be monitored:**
**(i) Cost of Object(s) of the Offer- INR 1244.47 Million**
*In ₹ Million*

S l. N o	Item Head	Original Cost (as per Offer Document s)	Revised Cost	Comments of Monitoring Agency	Comments of Board of Directors		
					Reason of cost revisi on	Proposed financing option	Particular s of firm arrangem ents made
1.	Purchase of machinery and equipment;	346.57	NA	NA	NA	NA	
2.	Funding incremental working capital requirements of our Company;	600.00	NA				
3.	Repayment or prepayment of all or a portion of certain borrowings/outstanding loan facilities availed by our Company	120.00	NA				
4.	General Corporate purposes	177.90	NA				
	<b>Total</b>	<b>1244.47</b>					

**(ii) Progress in the Object(s) of the Offer-**
*In ₹ Million*

Sr. No	Item Heads	Amount as proposed in Prospect us	Amount utilized			Total unutili zed Amoun t	Comm ents of Monito ring Agenc y	Comments of Board of Directors	
			As at Beginni ng of the quarter	During the quarter	At the end of the quarter			Reason of idle funds	Proposed Course of Action
1.	Purchase of machinery and equipment;	346.57	176.14	102.47	278.61	67.96	(a) & (b)	No comments	
2.	Funding incremental working capital requirements of our Company;	600.00	600.00	0.00	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	0.00	120.00	-	-		
4.	General corporate purposes	177.90	177.90	0.00	177.90	-	-		
	<b>Total</b>	<b>1244.47</b>	<b>1,074.04</b>	<b>102.47</b>	<b>1176.51</b>	<b>67.96</b>			

(a) Amount of Rs. 0.04 million debited from monitoring agency account to company's account is not utilised in the quarter ended 30<sup>th</sup> Sep-23. The same will be utilised in the quarter ended 31<sup>st</sup> Dec-23.

(b) Object is deferred as per special resolution dated 3rd May, 2023 by the members of the company to utilised in FY 2023-24

**(iii) Deployment of unutilized Offer proceeds-**
*In ₹ Million*

Sr. N o	Type of instrument and name of the entity invested in	FD No. (or) A/C No.	Amount	Maturity date	Earning s (Pre- tax)	Return on Investmen t (%)	Book Value as at the end of quarter*
1.	NIL						
	<b>Total</b>		<b>NIL</b>		<b>NIL</b>		<b>NIL</b>

i) Rs. 77.35 Million is the balance amount in the Kotak Mahindra Bank, Monitoring Agency Account No. 7745097913.

**(iv) Delay in implementation of the Object(s) of the Offer-**



# Kotak Mahindra Bank

Object(s) Name	Completion Date		Delay (No. of days/ months)	Comments of Board of Directors	
	As per Prospectus	Actual *		Reason of delay	Proposed Course of Action
Purchase of machinery and equipment;	FY 2022	FY 2024	24 Month	due to unfavourable global economic conditions leading to increase in purchase cost of machineries to be purchased in Foreign Currencies made the purchase financially unviable, therefore, the same has been extended till March 31, 2024.	Board of Directors and Shareholders of the Company have approved. the delay in implementation of the said object.

\* In case of continuing object(s) please specify latest/revised estimate of completion date.

