



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

August 13, 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 June 30, 2022, Rs. 304.66 million was held in the form of Fixed Deposits with Kotak Mahindra Bank Limited and Rs. 28.19 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. 364.31 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 JUNE 30, 2022

Name of the Issuer: Paras Defence and Space Technologies Limited

For quarter ended: June 30, 2022

Name of Monitoring Agency: Kotak Mahindra Bank Limited

1. **Deviations from the objects:** As per Object clause of IPO prospectus, the Company was required to utilised 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 on May 3, 2022 and the period for utilisation has been extended up to Fiscal year 2023.

2. **Range of Deviation:** Not Applicable.

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	Aerospace & Defence

4. Offer Details

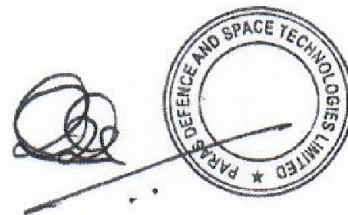
Offer Period	3 days [September 21, 2021 to September 23, 2021]
Type of Offer:	Initial Public Offer
Type of specified securities:	Equity Shares
IPO Grading, if any:	Not Applicable
Offer size (in Rs. Million):	Rs. 1,707.78 Million [the fresh issue is aggregating up to Rs. 1,406.00 Million and the offer 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. 1.40 Million lying in the Escrow Account as on June 30, 2022

5. Details of object(s):

(i) Cost of object(s):





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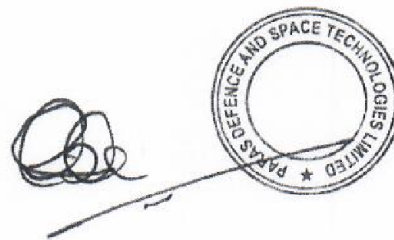
Sr. No.	Item Head	Original Cost (As per offer document) Rs. in Million	Revised cost Rs. in Million @
1.	Purchase of machinery and equipment;	346.57	-
2.	Funding incremental working capital requirements of our Company;	600.00	-
3.	Repayment or prepayment of all or a portion of certain borrowings/outstanding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

@ As at June 30, 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	14.17	4.31*	18.48	328.09
2	Funding incremental working capital requirements of our Company;	600.00	240.00	360.00	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	-
		1,244.47	552.07	364.31	916.38	328.09

* Advance paid for the purchase of machinery and equipment.





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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. 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	TDR 7746940935 – Kotak Mahindra Bank Ltd.	50.777	11.10.2022	1.08	4.25	50.777
2	TDR 7746940959 – Kotak Mahindra Bank Ltd.	50.777	11.10.2022	1.08	4.25	50.777
3	TDR 7746940966 – Kotak Mahindra Bank Ltd.	50.777	11.10.2022	1.08	4.25	50.777
4	TDR 7746940973 – Kotak Mahindra Bank Ltd.	50.777	11.10.2022	1.08	4.25	50.777
5	TDR 7746940980 – Kotak Mahindra Bank Ltd.	50.777	11.10.2022	1.08	4.25	50.777
6	TDR 7746940997 – Kotak Mahindra Bank Ltd.	50.777	11.10.2022	1.08	4.25	50.777
Total		304.66		6.48		304.66

~ Amount invested in fixed deposit includes the amount of interest received on Fixed Deposit matured on April 5, 2022. Further, Rs. 28.19 Million is lying in the Kotak Mahindra Bank, Monitoring Agency Account No. 7745097913.

(iv) Delay in implementation of the Object(s) – delay as on June 30, 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 Month

^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 of Rs. 332.40 Million in the subsequent fiscal year 2023 towards the purchase of machinery and equipment instead of fiscal year 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


Sharan Virji Shah
Chairman & Director
DIN: 00622001



Place: Navi Mumbai
Date: July 29, 2022