



PARAS DEFENCE & SPACE TECHNOLOGIES LIMITED

Corporate & Registered Office :

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

February 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: Monitoring Agency report for the quarter ended December 31, 2021



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 December 31, 2021, 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 December 31, 2021 Rs. 660.00 million was held in the form of Fixed Deposits with Kotak Mahindra Bank Limited and Rs. 38.85 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. 545.68 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

Ajit K. Sharma
Company Secretary and Compliance Officer

Encl. : as stated above



Report of the Monitoring Agency

Name of the Issuer: PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

For quarter ended: December 31, 2021

Name of the Monitoring Agency: Kotak Mahindra Bank Ltd.

(a) Deviation from the objects: No deviation is observed in the utilisation of issue proceeds

– Utilization different from Objects of the Offer stated in the Prospectus but in line with change of objects approved by shareholders' resolution;

or

– Utilization neither in line with Objects of the Offer stated in the Prospectus nor approved by shareholders' resolution

– In case there is no deviation, the same shall be stated.

(b) Range of Deviation*: NA

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.

Signature:

Name of the Authorized Person/Signing Authority: Anurag Goenka

Designation of Authorized Person/Signing Authority: Executive Vice President

Seal of the Monitoring Agency:

Date: 14th February, 2022



Subsequent Pages:

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	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

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				
	Total	1244.47					

(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 Amou nt	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	0.00	7.78	7.78	338.79	-	No Comments	
2.	Funding incremental working capital requirements of our Company;	600.00	0.00	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	0.00	120.00	120.00	-	Refer a.		
4.	General corporate purposes	177.90	0.00	177.90	177.90	-	-		
	Total	1244.47	0.00	545.68	545.68	698.79			

a. An amount of Rs. 62,674 was recovered towards the object "repayment or prepayment of all or a portion of certain borrowings/outstanding loan facilities availed by our Company" from the Cash Credit Account of the Issuer held with Kotak Mahindra Bank Limited.

b. An amount of Rs. 59,000 was erroneously debited from Monitoring Agency Account towards Monitoring Agency Fees are recovered back from the Issuer in Feb '22.

(iii) Deployment of unutilized Offer proceeds-

In ₹ Million

Sr. No	Type of instrument and name of the entity invested in	FD No. (or) A/C No.	Amount	Maturity date	Earnings (Pre-tax)	Return on Investment (%)	Market Value as at the end of quarter
1.	Term Deposit – Kotak Mahindra Bank Ltd.	7746084776	180.00	05.04.2022	183.10	3.45	180.00
2.	Term Deposit – Kotak Mahindra Bank Ltd.	7746084769	180.00	05.04.2022	183.10	3.45	180.00
3.	Term Deposit – Kotak Mahindra Bank Ltd.	7746083670	50.00	03.04.2022	50.90	3.45	50.00
4.	Term Deposit – Kotak Mahindra Bank Ltd.	7746083625	50.00	03.04.2022	50.90	3.45	50.00
5.	Term Deposit – Kotak Mahindra Bank Ltd.	7746083663	50.00	03.04.2022	50.90	3.45	50.00





Kotak Mahindra Bank

6.	Term Deposit – Kotak Mahindra Bank Ltd.	7746083618	50.00	03.04.2022	50.90	3.45	50.00
7.	Term Deposit – Kotak Mahindra Bank Ltd.	7746083694	50.00	03.04.2022	50.90	3.45	50.00
8.	Term Deposit – Kotak Mahindra Bank Ltd.	7746083687	50.00	03.04.2022	50.90	3.45	50.00
Total			660.00				660.00

- i) Rs. 660.00 Million is parked in the Fixed Deposits with Kotak Mahindra Bank Limited.
ii) Rs. 38.83 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-

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
NA	NA	NA	NA	NA	NA

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

Kotak Mahindra Bank Ltd.
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Bandra Kurla Complex
Bandra (E), Mumbai - 400 051

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Bandra (E), Mumbai 400051,
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