



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

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.: 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 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 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 RECEIPT AND 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 DECEMBER 31, 2021

Name of the Issuer: Paras Defence and Space Technologies Limited

For quarter ended: December 31, 2021

Name of Monitoring Agency: Kotak Mahindra Bank Limited

1. Deviations from the objects: As on December 31, 2021, no deviation is observed in the utilisation of issue proceeds of IPO
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 | 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] |

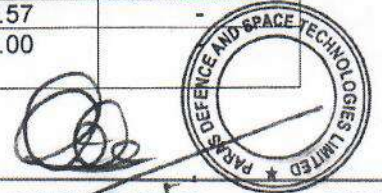
| Particulars | Amount (Rs. in Million) |
|--|-------------------------|
| Gross proceeds of the Fresh Issue | 1,406.00 |
| (Less) Offer related expenses in relation to the Fresh Issue # | (161.53) |
| Net Proceeds | 1,244.47 |

including Rs. 56.60 Million lying in the Escrow account as on December 31, 2021

5. 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 | - |



Heavy Engineering Divn.: M-6, Addl. MIDC, Ambarnath (E), Thane - 421506, Maharashtra, India | Tel : +91-9820 965 965 | Fax : +91-251-2621 222

B-6, Centre : No.1, 9th Cross, 9th Main, Malleeshwaram, Bengaluru - 560 003, India | Tel : +91-9820 965 965 | Fax : +91-80-2346 4142





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| | | | |
|----|--|-----------------|---|
| 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 | |

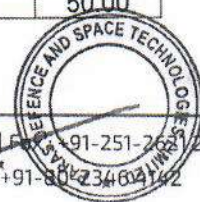
@ As at December 31, 2021, the Company has not revised the above cost of objects.

(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 the quarter | During the quarter | At the end of the quarter | |
| 1 | Purchase of machinery and equipment; | 346.57 | - | 07.78 | 07.78 | 338.79 |
| 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 | 545.68 | 698.79 |

(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 | 183.10 | 3.45 | 180.00 |
| 2 | Term Deposit (7746084769) – Kotak Mahindra Bank Ltd. | 180.00 | 05.04.2022 | 183.10 | 3.45 | 180.00 |
| 3 | Term Deposit (7746083670) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 50.86 | 3.45 | 50.00 |
| 4 | Term Deposit (7746083625) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 50.86 | 3.45 | 50.00 |
| 5 | Term Deposit (7746083663) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 50.86 | 3.45 | 50.00 |
| 6 | Term Deposit (7746083618) – | 50.00 | 03.04.2022 | 50.86 | 3.45 | 50.00 |





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| | Kotak Mahindra Bank Ltd. | | | | | |
|--------------|--|---------------|------------|---------------|----------|---------------|
| 7 | Term Deposit (7746083694) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 50.86 | 3.45 | 50.00 |
| 8 | Term Deposit (7746083687) – Kotak Mahindra Bank Ltd. | 50.00 | 03.04.2022 | 50.86 | 3.45 | 50.00 |
| Total | | 660.00 | - | 671.36 | - | 660.00 |

Further, Rs. 38.85 Million is lying in the Kotak Mahindra Bank, Monitoring Agency Account No. 7745097913.

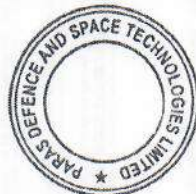
(iv) Delay in implementation of the Object(s) – No delay as on December 31, 2021.

| Sr. No. | Object(s) Name | Amount as proposed in Offer Document (Rs. in Million) | (Amount in Rs. Million) | | | |
|---------|--|---|-------------------------|---------------|--------------------------------|-------------|
| | | | As per Offer Document | | Actual utilisation | |
| | | | Fiscal 2022 | Fiscal 2023 | Fiscal 2022 - as at 31.12.2021 | Fiscal 2023 |
| 1 | Purchase of machinery and equipment; | 346.57 | 346.57 | - | 07.78 | - |
| 2 | Funding incremental working capital requirements of our Company; | 600.00 | 240.00 | 360.00 | 240.00 | - |
| 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 | 884.47 | 360.00 | 545.68 | |

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: February 10, 2022