



PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Registered & Corporate Office :

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CIN : L29253MH2009PLC193352 | E-mail : business@parasdefence.com | Web : www.parasdefence.com

February 10, 2025

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 December 31, 2024

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, 2024, issued by ICRA Limited, the Monitoring Agency, appointed to monitor the utilisation of funds raised through Qualified Institutions Placement (QIP).

Request you to please take the above on record.

Thanking you,

For Paras Defence and Space Technologies Limited

Munjal Sharad Shah

Managing Director

DIN: 01080863

Encl.: As Above

MONITORING AGENCY REPORT

Name of the Issuer: Paras Defence And Space Technologies Limited

For quarter ended: December 31, 2024

Name of the Monitoring Agency (MA): ICRA Limited

(a) Deviation from the objects of the issue:

No deviation - The utilization of the issuance proceeds is in line with the objects of the issue.

(b) Range of deviation:

Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013. The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that we do not perceive any conflict of interest in such relationship/ interest while monitoring and reporting the utilization of the issue proceeds by the issuer. We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature:

Parul Goyal Narang
Vice President & Head-Process Excellence

Analyst: Tiyaasha Dey

Quality Analyst: Adrita Sadhukhan

1. Issuer Details

Name of the Issuer: Paras Defence And Space Technologies Limited

Name(s) of the promoters:

Promoters
Munjal Sharad Shah
Sharad Virji Shah

Source: BSE

Industry/ sector to which it belongs: Aerospace & Defense

2. Issue Details

Issue Period: Opening date - October 01, 2024

Closing date – October 07, 2024

Type of Issue: QIP Issue

Type of specified securities: Equity shares

IPO Grading, if any: *Not Applicable*

Issue Size (Rs. Crore): 135.182

With OFS portion: Not applicable

Excluding OFS portion: Not applicable

Net proceeds: INR 130.599 Crore

Actual Net proceeds: INR 130.987 Crore*

**Revision in Net proceeds is on account of actual offer related expenditure being lower than estimated by INR 0.388 Crore*

Note: ICRA has monitored Gross Proceeds of INR 135.182 crore for Q3 FY2025

3. Details of the arrangement made to ensure the monitoring of issue proceeds.

Particulars	Reply	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	-Peer reviewed CA certificate -Confirmation from management -Bank statement of the escrow account/Proceed Account	No deviation observed	No comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not Applicable	As confirmed by the Issuer's management	No comments	No comments
Whether the means of finance for the disclosed objects of the issue has changed?	No	As confirmed by the Issuer's management	No comments	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	Not Applicable	As confirmed by the Issuer's management	No comments	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not Applicable	As confirmed by the Issuer's management	No comments	No comments
Whether all arrangements pertaining to technical assistance/ collaboration are in operation?	Not Applicable	As confirmed by the Issuer's management	No comments	No comments
Are there any favorable events improving the viability of these object(s)?	No	As confirmed by the Issuer's management	As understood from the Issuer's management	No comments
Are there any unfavorable events affecting the viability of the object(s)?	No	As confirmed by the Issuer's management	As understood from the Issuer's management	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	As confirmed by the Issuer's management	As understood from the Issuer's management	No comments

Where material deviation is defined to mean:

(a) Deviation in the objects or purposes for which the funds had been raised.

(b) Deviation in the amount of funds utilized by more than 10% of the amount specified in the offer document.

4. Details of the object(s) to be monitored.
(i) Cost of object(s)

S.N.	Item Head	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Original cost (as per the offer document) [Rs. Crore]	Revised cost [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding working capital requirements of the Company	Placement Document	120.000	120.000	No comments	No comments		
2	General corporate purposes	Placement Document	10.599	10.987	Revision in General Corporate Purpose is on account of actual offer related expenditure being lower than estimated by INR 0.388 Crore	No comments		
Total			130.599	130.987				

(ii) Progress in the object(s)

S.N.	Item Head	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Amount as proposed in the offer document. [Rs. Crore] (A)	Amount utilized. [Rs. Crore]			Total unutilized amount [Rs. Crore] (C=A-B)	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors	
				As at the beginning of the quarter	During the quarter	At the end of the quarter (B)			Reasons for idle funds	Proposed course of action
	Issue Expenses	-Placement document -Peer reviewed CA certificate -Bank Statement of the proceeds account/ corresponding bank account statements	4.582 (4.195)*	-	4.195	4.195	Nil	Revision in Issue related expenses is on account of actual Issue related expenses being lower than estimated by INR 0.388 Crore	No comments	
Objects for utilization of Net Proceeds										
1	Funding working capital requirements of the Company	-Placement document -Peer reviewed CA certificate -Bank Statement of the proceeds account/ corresponding bank account statements	120.000	-	117.504	117.504	2.496	No Comments	No comments	
2	General corporate purposes	Same as above	10.599 (10.987)*	-	2.648	2.648	8.339	No Comments	No comments	
Total			135.182	-	124.347	124.347	10.835			

*Revised cost as per point no 4(i) above.

(iii) Deployment of unutilized proceeds:

S.N.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment	Market Value as at the end of quarter*
		[Rs. Crore]		[Rs. Crore]	[%]	[Rs. Crore]
1	ICD to subsidiary - Paras Anti-Drone Technologies Pvt. Ltd.	1.311	On or before December 31, 2026	0.018	12%	1.329
2	ICD to subsidiary - Mechtech Thermal Private Limited	1.150	On or before December 31, 2026	0.016	12%	1.166
3	Monitoring A/c Balance as on 31.12.2024	8.374	-	-	-	8.374
Total		10.835	-	0.034	-	10.869

Source: As certified by ABHL & ASSOCIATES

*Market Value including interest accrued till 31.12.2024

(iv) Delay in the implementation of the object(s)

Object(s)	Completion date		Delay [Number of days or months]	Comments of the Issuer's Board of Directors	
	As per the offer document	Actual		Reason for delay	Proposed course of action
Funding working capital requirements of the Company	FY25	On Schedule	N.A.	No comments	
General corporate purposes	FY25-FY26	On Schedule	N.A.	No comments	

Source: As confirmed by the Issuer's management

5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document.

S.N.	Item Head	Amount [Rs. Crore]	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
1	Capex	2.648	Peer reviewed CA certificate -Bank Statement of the proceeds account/ corresponding bank account statements	No comments	No comments
Total		2.648			