



**DCX SYSTEMS LIMITED**  
CIN: L31908KA2011PLC061686

**An AS 9100D Certified**

**Regd. Off. Add.:** Aerospace SEZ Sector, Plot Nos. 29,30 and 107,Hitech Defence and Aerospace Park, Kavadasanahalli, Bengaluru Rural – 562110, Karnataka, India.

**Email:**[cs@dcxindia.com](mailto:cs@dcxindia.com)  
**Tel:** 080-67119555  
**Web:**[www.dcxindia.com](http://www.dcxindia.com)

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**May 13, 2025**

**BSE Limited**  
P J Towers  
Dalal Street, Fort  
Mumbai – 400001

**National Stock Exchange of India Ltd**  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400051

**Scrip Code – 543650**

**Symbol – DCXINDIA**

Dear Sir/Madam,

**Sub: Monitoring Agency Report for the quarter ended March 31, 2025**

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Regulation 41(4) of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2015, we are enclosing herewith the Monitoring Agency Report for the quarter ended March 31, 2025, issued by CARE Ratings Limited, Monitoring Agency, with respect to utilization of proceeds of the Initial Public Offering (IPO) and Qualified Institutional Placement (QIP) of the Company.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,  
For **DCX Systems Limited**

**Gurumurthy Hegde**  
Company Secretary, Legal and Compliance Officer

**No. CARE/BRO/GEN/2025-26/1004**

**The Board of Directors**

**DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)**

Aerospace SEZ Sector, Plot Nos.29,30 And 107,  
Hitech Defence And Aerospace Park,  
Kavadadasanahalli,  
Bangalore Rural, Karnataka 5621101

May 13, 2025

Dear Sir,

**Monitoring Agency Report for the quarter ended March 31, 2025 - in relation to the Initial Public Offerings of Equity Shares of DCX Systems Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Fresh Issue of 1,93,23,671 for the amount aggregating to Rs. 400 crore of the Company and refer to our duties cast under 82 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2025, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated September 29, 2022.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,



**Himanshu Jain**

Associate Director

Himanshu.Jain@careedge.in

**Report of the Monitoring Agency**

Name of the issuer: DCX Systems Limited

For quarter ended: March 31, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(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 there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

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:



Name and designation of the Authorized Signatory: Himanshu Jain

Designation of Authorized person/Signing Authority: Associate Director

**1) Issuer Details:**

Name of the issuer : DCX Systems Limited  
 Name of the promoter : Dr. H S Raghavendra Rao, NCBG Holdings Inc and VNG Technology Private Limited  
 Industry/sector to which it belongs : Aerospace and Defense

**2) Issue Details**

Issue Period : October 31, 2022, to November 02, 2022  
 Type of issue (public/rights) : Public Fresh Issue  
 Type of specified securities : Equity Shares  
 IPO Grading, if any : Not Applicable  
 Issue size (in crore) : Rs. 400 crore (Note 1)

**Note 1:**

The company had offered 1,93,23,671 Equity Shares under the fresh issue, at Rs. 207 per share (including share premium of Rs. 205 per share) aggregating to Rs 400 crore. The issue was oversubscribed by 5 times and the company has allotted 1,93,23,671 Equity Shares to the applicants.

Particulars	Remarks
Total shares issued and subscribed as part of IPO/QIP/Rights issue (whichever is applicable)	1,93,23,671
Total subscriptions towards IPO/QIP/Rights issue (whichever is applicable) (in Rs. )	400.00
Details of expenses incurred related to issue (in Rs.)	26.97
Net Proceeds of IPO/QIP/Rights issue (whichever is applicable) (Rs.)	373.03

**3) Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	No	RHP, Postal Ballot outcome published by the company on BSE on May 6, 2024.	During Q4 FY25, the company has incurred Rs. 2.98Cr utilization from the net proceeds available for utilization. As of March 31, 2025, Rs. 66.98 crores stand unutilized.	None

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
			During Q1FY25, there was interchangeability in the amount within the objects specified in the offer document. Also, purpose of investment in its subsidiary Raneal Advanced Systems Private Limited (RASPL) has been revised to loan repayment as against capital expenditure mentioned in offer document.	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Yes	Postal Ballot Outcome published by the company on BSE on May 6, 2024	The amount to be invested in its subsidiary Raneal Advanced Systems Private Limited (RASPL) is reduced to Rs. 19.80 crore from Rs. 44.88 crore. Consequently, the amount towards general corporate purpose (GCP) increased from Rs. 58.15 crore to Rs. 83.23 crore.	None
Whether the means of finance for the disclosed objects of the issue have changed?	Yes	Monitoring agency report dated February 6, 2025.	The amount to be invested in its subsidiary Raneal Advanced Systems Private Limited (RASPL) is reduced to Rs. 19.80 crore from Rs. 44.88 crore. Consequently, the amount towards general corporate purpose (GCP) increased from Rs. 58.15 crore to Rs. 83.23 crore.	None
Is there any major deviation observed over the earlier monitoring agency reports?	No	Monitoring agency report dated February 6, 2025.	As per the RHP, the tentative date to utilize the net proceeds is by end of March 2023, however, the same was not utilized till quarter ending March 31, 2025. The timelines of the proposed utilization of the net proceeds would be at the discretion of the company's management, as described in RHP.	None
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Not applicable	None	None
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	None	None
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not applicable	None	None
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	None	None

\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated April 24, 2025

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised  
b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

**4) Details of objects to be monitored:**

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of - firm arrangements made
1	Repayment/Prepayment, in full or part of certain borrowings availed by the company	Chartered Accountant certificate*, Final Prospectus	110.00	Not Applicable	None	Nil	None	
2	Funding working capital requirements of Company	Chartered Accountant certificate*, Final Prospectus	160.00	Not Applicable	None	Nil		
3	Investment in wholly owned Subsidiary, Raneal Advanced Systems Private Limited, to fund its capital expenditure expenses	Chartered Accountant certificate*, Final Prospectus, Postal Ballot Outcome	44.88	19.80	As per Postal Ballot Outcome published by the company on BSE on May 6, 2024, the amount to be invested in its subsidiary Raneal Advanced Systems Private Limited (RASPL) is reduced to Rs. 19.80 crore from Rs. 44.88 crore. Consequently, amount towards general corporate purpose (GCP) increased from Rs. 58.15 crore to Rs. 83.23 crore.	Refer explanatory Statement (Page no 13) of Postal Ballot Notice.		
4	General corporate purposes (GCP)	Chartered Accountant certificate*, Final Prospectus, Postal Ballot Outcome	58.15	83.22				
<b>Total</b>			<b>373.03</b>	<b>373.03</b>				

\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated April 24, 2025

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Repayment/Prepayment, in full or part of certain borrowings availed by the company	Chartered Accountant certificate*, Bank statements	110.00	110.00	0.00	110.00	0.00	None	Not applicable	Already incurred
2	Funding working capital requirements of our Company	CA certificate, Bank statements, Income Tax challan	160.00	160.00	0.00	160.00	0.00	None	Not applicable	Already incurred
3	Investment in our wholly owned Subsidiary, Raneal Advanced Systems Private Limited, to fund its capital expenditure expenses	Chartered Accountant certificate*, Bank statements	19.80	19.80	0.00	19.80	0.00	None	Not applicable	Already incurred
4	General corporate purposes (GCP)	Chartered Accountant certificate*, Bank statements	83.23	13.41	2.84	16.24	66.98	<p>Unutilized IPO amount parked in FD was liquidated to the extent of Rs. 2.16 crore and proceeds were deposited in the current account which has numerous other transactions resulting in commingling of funds.</p> <p>Further, as on December 31, 2024, company had IPO amount of Rs. 0.73 crore in current account. The above amounts were used to pay Rs. 2.84 crore towards GCP and as per CA certificate remaining Rs. 0.047 crore is lying in current account. As such, current account balance was Rs. 3.21 crore as on March 31, 2025.</p> <p>CARE Ratings has relied upon management confirmation and CA certificate that the current account</p>	Company is still on the process of scouting and identifying products	Company is still on the process of scouting and identifying products

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								balance include amount of Rs. 0.047 crore which pertains to unutilized IPO.		
<b>Total</b>			<b>373.03</b>	<b>303.20</b>	<b>2.84</b>	<b>306.04</b>	<b>66.98</b>			

\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated April 24, 2025

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. Crore)	Maturity date	Earning (Rs. Crore)	Return on Investment (%)	Market Value as at the end of quarter (Rs. Crore)
1	Fixed Deposit- HDFC bank	22.67	Please refer FD Note	1.90	7.40%	24.57
2	Fixed Deposit- Axis Bank	44.50	Please refer FD Note	7.86	7.45%	52.36
3	HDFC Current Account -05230330003124	0.05	Not applicable	-	-	0.05
	<b>Total</b>	<b>67.22</b>		<b>9.76</b>		<b>76.98</b>

FD note:

Sl.no	Bank	Maturity Date	Amount invested	Return on investment in %	Market value at the end of the quarter
1	HDFC Bank	06-Apr-25	22.67	7.40	24.57
2	Axis Bank	10-Dec-24	7.00	7.45	8.53
3	Axis Bank	10-Dec-24	12.50	7.45	14.61
4	Axis Bank	10-Dec-24	12.50	7.45	14.61
5	Axis Bank	10-Dec-24	12.50	7.45	14.61
	<b>Total</b>		<b>67.17</b>		<b>76.93</b>

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

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual*		Reason of delay	Proposed course of action
Repayment/Prepayment, in full or part of certain borrowings availed by the company	March 31, 2023	Fully utilized till December 31, 2022	-	None	None

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual*		Reason of delay	Proposed course of action
Funding working capital requirements of Company	March 31, 2023	Fully utilized as on March 31, 2023	-	None	None
Investment in wholly owned Subsidiary, Raneal Advanced Systems Private Limited, to fund its capital expenditure expenses	March 31, 2025@	Fully utilized as on June 30, 2024	-	None	None
General corporate purposes (GCP)	Rs. 58.15 crore by March 31, 2023, and Rs. 25.08 crore by March 31, 2026	Ongoing	Delayed. Period of delay is unascertainable.	Company is still on the process of scouting and identifying products.	Company is still on the process of scouting and identifying products for acquisition.

\*In case of continuing object(s), Please specify latest/ Revised estimate of the completion date

@Revised to March 31, 2025, as per the postal ballot notice and outcome.

The above details were verified from the Information shared by DCX systems, final prospectus and the Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated April 24, 2025, given in Annexure-2

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

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	General Corporate Purposes	2.84	CA certificate*	Utilized for purchase for capex and for marking event at Aero India and Andaman. Company has paid the amount from its internal accruals and then later claimed reimbursement of expenses.	None
	<b>Total</b>	<b>2.84</b>			

\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated April 24, 2025

^ Section from the offer document related to GCP:

“Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ 581.46 million, towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize Net Proceeds include, without limitation, meeting ongoing general corporate purposes or contingencies, strengthening marketing capabilities and brand building exercises, enhancing our technology related infrastructure, strategic initiatives and acquisition and/or funding any shortfall in any of the abovementioned objects. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilize the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company’s management shall have flexibility in utilizing surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.”

*Section from Postal Ballot related to incremental GCP:*

*“Company proposes to utilise the remaining amount of ₹250.83 million towards general corporate purposes, as set out in the Issue Documents. These include, without limitation, meeting ongoing general corporate purposes or contingencies, strengthening marketing capabilities and brand building exercises, enhancing our technology related infrastructure, meeting working capital requirement of our Company, strategic initiatives and acquisition and/or funding any shortfall in any of the revised objects of the Issue as set out in this explanatory statement. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. In addition to the above, our Company may utilise the funds allocated towards general corporate purpose towards other activities considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act, 2013. The total amount proposed to be utilized towards general corporate purpose (including the amount already allocated to such purpose in the Prospectus) shall not exceed 25 percent of the gross proceeds from the Issue.*”

**Disclaimers to MA report:**

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. 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.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or 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 MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

No. CARE/BRO/GEN/2025-26/1005

**The Board of Directors**

**DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)**

Aerospace SEZ Sector, Plot Nos.29,30 And 107,  
Hitech Defence And Aerospace Park,  
Kavadadasanahalli,  
Bangalore Rural, Karnataka 562110

May 13, 2025

Dear Sir,

**Monitoring Agency Report for the quarter ended 31/03/2025 - in relation to the QIP of Equity shares of DCX Systems Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Fresh Issue of 14,662,756 for the amount aggregating to Rs. 500 crore of the Company and refer to our duties cast under 173A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2025, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated June 1, 2024.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,



**Himanshu Jain**

Associate Director

Himanshu.Jain@careedge.in

**Report of the Monitoring Agency**

Name of the issuer: DCX Systems Limited

For quarter ended: March 31, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(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 there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

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:

A handwritten signature in blue ink that reads 'himanshu jain'.

Name and designation of the Authorized Signatory: Himanshu Jain

Designation of Authorized person/Signing Authority: Associate Director

### 1) Issuer Details:

Name of the issuer	: DCX Systems Limited
Name of the promoter	: Dr. H S Raghavendra Rao, NCBG Holdings Inc and VNG Technology Private Limited
Industry/sector to which it belongs	: Aerospace and Defense

### 2) Issue Details

Issue Period	: January 15, 2024, to January 19, 2024
Type of issue (public/rights)	: Qualified Institutional Placement
Type of specified securities	: Equity shares
IPO Grading, if any	: QIP
Issue size (in crore)	: Rs. 500.00 crore(Note 1)

#### Note 1:

The company had offered 14,662,756 Equity Shares under the fresh issue, at Rs. 341 per share (including share premium of Rs. 339 per share) aggregating to ₹ 500 crore. The issue was oversubscribed by 7.5 times and the company has allotted 14,662,756 Equity Shares to the applicants.

Particulars	Remarks
Total shares issued and subscribed as part of IPO/QIP/Rights issue (whichever is applicable)	14,662,756
Total subscriptions towards IPO/QIP/Rights issue (whichever is applicable) (in Rs. )	500.00
Details of expenses incurred related to issue (in Rs.)	13.35*
Net Proceeds of IPO/QIP/Rights issue (whichever is applicable) (Rs.)	486.65

\* Out of the total issue expenses of Rs. 13.35 Crores, Rs. 0.91 Crores has not been incurred as on March 31, 2025.

### 3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	RHP, Management certificate	None	None
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Management Certificate	None	None
Whether the means of finance for the disclosed objects of the issue have changed?	No	Management Certificate	No	None
Is there any major deviation observed over the earlier monitoring agency reports?	No	MA Report dated February 06, 2025	None	None

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all Government/statutory approvals related to the object(s) have been obtained?	In progress	Discussion with management, Management certificate	As per stock exchange filing on April 21, 2025, Company has announced that it would be establishing a Joint Venture Company (JVC) for conducting the business in the areas of Airborne Maritime Radar System, Fire Control Radar System and other Radar Systems for Airborne and Land applications under "Make in India" projects. Establishment of above JVC is subject to several approvals which the company is in process of obtaining.	Company has entered into JV on April 21, 2025, all Government/statutory approvals are in progress
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	In progress	Discussion with management, Management certificate	JV agreement was signed on April 21, 2025, and all other formalities are in progress.	JV agreement was signed on April 21, 2025, and all other formalities are in progress
Are there any favorable/ unfavorable events affecting the viability of these object(s)?	No	Management certificate	None	Not applicable
Is there any other relevant information that may materially affect the decision making of the investors?	Unascertainable	Discussion with management, Management certificate, Stock exchange disclosures	Investment in JVC is likely to be completed during FY28 as against earlier timeline of March 31, 2026. This may result in delayed envisaged benefits from the investment to the investors.	None

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised.
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

#### 4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Investment in Subsidiary, NIART Systems Ltd	Chartered Accountant certificate*, Final Prospectus^	209.00	Not Applicable	None			
2	Investment in joint ventures and/or subsidiaries	Chartered Accountant certificate*, Final Prospectus^	200.00	Not Applicable	None			

3	General corporate purposes (GCP)	Chartered Accountant certificate*, Final Prospectus^	77.65	Not Applicable	None	
<b>Total</b>			<b>486.65</b>			

\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated April 24, 2025

^pg no : 88 of final prospectus filed by the company with SEBI on November 04, 2022

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Investment in Subsidiary, NIART Systems Ltd	Chartered Accountant certificate*, Bank statements, Management certificate	209.00	125.78	0.00	125.78	83.22	As per management, the final tranche of investment of USD 10 million is pending which is due in the April-June 2025 quarter and would be processed accordingly.	-	USD 10 million will be invested in the Month of MAY-2025.
2	Investment in joint ventures and/or subsidiaries	CA certificate, Bank statements, Stock exchange disclosure, Management certificate	200.00	0.00	0.00	0.00	200.00	As per placement document, company had proposed to utilize Rs. 100 crore each during FY25 and FY26. However, the company did not utilize any amount in FY25. As per stock exchange filing on April 21, 2025, the company signed a Joint Venture agreement with ELTA Systems Limited, Israel, for the purpose of establishing a Joint Venture Company (JVC). As per management, due to delays in technology transfer, the process has taken more time. As per the JV agreement signed, an investment of USD 30 million will be made in three tranches, with	-	Company has Signed the JV agreement and payment will be processed in 3 tranches over next 3 years.

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								payments done in three yearly instalments. Entire amount is expected to be fully utilized during FY28.		
3	General corporate purposes (GCP)	Chartered Accountant certificate*, Bank statements, Management discussion	77.65	0.00	0.00	0.00	77.65	As per management, GCP amount would primarily be utilized towards investment in the objects mentioned above.	-	Will be utilized for Investment in Subsidiary and J V
<b>Total</b>			<b>486.65</b>	<b>125.78</b>	<b>0.00</b>	<b>125.78</b>	<b>360.87</b>			

\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated April 24, 2025

(iii) Deployment of unutilized proceeds:

Sr. No.	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*
1	FD-Axis Bank	175.55	04-02-2026	2.08	7.65%	177.63
2	FD-Axis Bank	61.00	27-01-2026	6.36	7.50%	67.36
3	FD-HDFC Bank	125.00	30-01-2026	0.14	7.75%	125.14
4	FD-HDFC Bank	0.13	03-04-2025	0.03	6.65%	0.16
5	ICICI MONITORING Account# 000405153673	0.11	NA	0.00	0.00	0.11
<b>Total</b>		<b>361.79^</b>		<b>8.61</b>		<b>370.40</b>

\* Where the market value is not feasible, provide NAV/NRV/Book Value of the same

^Out of fixed deposit of Rs. 361.79 crore, Rs 360.87 is for expenses towards objects and Rs. 0.92 Cr is for issue expenses not spent.

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

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Investment in Subsidiary, NIART Systems Ltd	March 31, 2024 & March 31, 2025^	Ongoing	Delayed. As per management, balance amount is likely to be paid in Q1FY26.	-	USD 10 million will be invested in the Month of MAY-2025.

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Investment in joint ventures and/or subsidiaries	Rs. 100 crore till March 2025 Rs. 100 crore till March 2026	Ongoing	Ongoing delay with respect to proceeds amounting to Rs. 100 crore. As such, as per terms of JV agreement, the amount is to be spent in three yearly installments and therefore the entire amount is estimated to be utilized during FY28.	-	Company has signed the JV agreement and payment will be processed in 3 tranches over next 3 years
General corporate purposes (GCP)	March 31, 2026	Ongoing	NA. However, company is estimating to utilize the GCP amount towards above investments and hence entire amount is estimated to be utilized during FY28.	-	None

*^The above details were verified from the Information shared by DCX systems, final prospectus and the Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated April 24, 2025*

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

Sr. No	Item Head^	Amount	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	General Corporate Purposes	0.00	Chartered Accountant certificate*	None	None
	Total	0.00			

*\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated April 24, 2025*

*^ Section from the offer document related to GCP:*

*"Our Company proposes to deploy ₹776.55 million out of the Net Proceeds towards general corporate purposes, subject to the amount allocated towards general corporate purpose not exceeding 25% of the Gross Proceeds, in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. We will have flexibility in utilizing the Net Proceeds for general corporate purposes, including but not restricted to, strategic initiatives, further investment in existing or future joint ventures or subsidiaries, investments, repayment and pre-payment penalty on loans, as applicable, meeting exigencies and expenses incurred by our Company, as may be applicable, funding any shortfall in any of the objects set forth above, or such other purposes as may be determined by the Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds or the deployment towards each of the above purposes will be determined by our Board or a committee thereof, based on the amount actually available under this head and the business requirements of our Company, from time to time."*

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