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Certified

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

**DCX SYSTEMS LIMITED**

**CIN: L31908KA2011PLC061686**

*(Formerly known as DCX Cable Assemblies Pvt Ltd)*

**email:**[cs@dcxindia.com](mailto:cs@dcxindia.com)

**Tel:** 080-67119555

**web:**[www.dcxindia.com](http://www.dcxindia.com)

**10.05.2023**

The Department of Corporate Services  
BSE Limited  
P J Towers, Dalal Street, Fort  
Mumbai – 400 001  
**Scrip Code - 543650**

National Stock Exchange of India Ltd  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400 051  
**Symbol-DCXINDIA**

Dear Sir/Madam,

**Sub: Monitoring Agency Report for the Quarter ended 31st March, 2023**

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 Monitoring Agency Report for the quarter ended March 31, 2023 issued by CARE Ratings Limited, Monitoring Agency, with respect of utilization of proceeds of the Initial Public Offering of the Company.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,  
For **DCX Systems Limited**

**Nagaraj R Dhavaskar**  
**Company Secretary, Legal & Compliance Officer**  
**M. No: F12503**

**No. CARE/BRO/GEN/2023-24/1001**

**Dr. H S Raghavendra Rao**  
**Chairman and Managing Director**  
**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 10, 2023

Dear Sir,

**Monitoring Agency Report for the quarter ended March 31, 2023 - 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. 400.00 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, 2023 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**  
Assistant Director  
Himanshu.Jain@careedge.in

**Report of the Monitoring Agency**

Name of the issuer: DCX Systems Limited

For quarter ended: March 31,2023

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: Assistant 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 : Defense Industry

### 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 Rs. crore) : Rs. 400.00 crore (Note 1)

#### Note 1:

The initial public offer of the company was for Rs. 500 crore i.e. Rs.400 crore of Fresh Issue and Rs. 100 crore Offer for Sale. Therefore, the amount raised by the company through Initial Public Offer is Rs.400 crore.

Particulars	Remarks
Total shares issued and subscribed Nos @ (Rs. 207 Per Share)	1,93,23,671
Total proceeds received from IPO (In Rs. Crore)	400.00
Details of expenses incurred related to IPO issue (In Rs. Crore)	26.97
Net proceeds available for utilization (In Rs. Crore)	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 the Board of Director
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*, Bank statement	Yes	-
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Not applicable	Not applicable	-
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	No	-
Is there any major deviation observed over the earlier monitoring agency reports?	No	Monitoring agency report dated February 01,2023	No	-
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Not applicable	Not applicable	-
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	-
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not applicable	No	-
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	No	-

\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated May 03,2023

#### #Where material deviation may be defined to mean:

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

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#### 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	Nil	-	-	-
2	Funding working capital requirements of our Company	Chartered Accountant certificate*, Final Prospectus	160.00	Not applicable	Nil	-	-	-
3	Investment in our wholly owned Subsidiary, Raneal Advanced Systems Private Limited, to fund its capital expenditure expenses	Chartered Accountant certificate*, Final Prospectus	44.88	Not applicable	Nil	-	-	-
4	General corporate purposes (GCP)	Chartered Accountant certificate*, Final Prospectus	58.15	Not applicable	Nil	-	-	-
<b>Total</b>			<b>373.03</b>					

\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated May 03,2023

##### 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			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	Nil	-	-
2	Funding working capital requirements of our Company	CA certificate, Bank statements, Income Tax challan	160.00	13.96	146.04	160.00	Nil	-	-
3	Investment in our wholly owned Subsidiary, Raneal Advanced Systems Private Limited, to fund its capital expenditure expenses	Chartered Accountant certificate*, Bank statements	44.88	0.00	0.00	0.00	Nil	Land allotment process is taking time	We are aggressively progressing with the department for expediting allotment of land to the company
4	General corporate purposes (GCP)	Chartered Accountant certificate*, Bank statements	58.15	0.00	0.05	0.05	Nil	We are still on the process of scouting and identifying products for acquisition	We are still on the process of scouting and identifying products for acquisition
<b>Total</b>			<b>373.03</b>	<b>123.96</b>	<b>146.09</b>	<b>270.05</b>			

\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated May 03,2023

iii. Deployment of unutilized IPO proceeds:

						Rs. crore
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	Fixed Deposit – HDFC bank	149.00	Please refer FD Note	0.15	7.40%	149.15
2.	Fixed Deposit- Axis Bank	50.00	Please refer FD Note	0.84	7.50%	51.17
		<b>199.00*</b>		<b>0.99</b>		<b>200.33</b>

\*Out of the total above mentioned investments in FD of Rs.199.00 Cr to the extent of Rs.102.98 crore pertains to IPO proceeds

FD note:

						Rs. crore
S.no	Bank	Maturity Date	Amount invested	Return on investment in %	Market value at the end of the quarter	
1	HDFC Bank	31-03-2024	149.00	7.40	149.15	
2	Axis Bank	30-11-2023	12.50	7.50	12.78	
3	Axis Bank	29-11-2023	12.50	7.50	12.80	
4	Axis Bank	27-11-2023	12.50	7.50	12.80	
5	Axis Bank	28-11-2023	12.50	7.50	12.80	
		<b>Total</b>	<b>199.00</b>		<b>200.33</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 as on December 31,2022	-	-	-
Funding working capital requirements of Company	March 31,2023	Fully utilized as on March 31,2023	-	-	-
Investment in wholly owned Subsidiary, Raneal Advanced Systems Private Limited, to fund its capital expenditure expenses	March 31,2023	December 31, 2023^	9 Months	Land allotment process is taking time	We are aggressively progressing with the department for expediting allotment of land to the company
General corporate purposes (GCP)	March 31,2023	December 31, 2023^	9 Months	We are still on the process of scouting and identifying products for acquisition	We are 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.

^Tentative date for utilisation of unutilised proceeds under the objects will be by December 31,2023

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 May 03,2023.

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
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1	General Corporate Purposes	0.05	Chartered Accountant certificate*, Bank statement	Nil	Nil
	<b>Total</b>	<b>0.05</b>			

\* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated May 03, 2023

^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”.

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