



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

Tel: 080-67119555

Web: www.dcxindia.com

February 12, 2026

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 December 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 December 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/2025-26/1034

**The Board of Directors
DCX Systems Limited**

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

February 12, 2026

Dear Sir,

Monitoring Agency Report for the quarter ended December 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 (MA) 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 41 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 December 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: December 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.

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

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 Raneal Technologies 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

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.	There was change in the amount within the objects specified in the offer document for which required shareholder approval was taken. Also, purpose of investment in its subsidiary Renal Advanced System Private Limited (RASPL) has been revised to loan repayment as against capital expenditure mentioned in offer document. Further, the funds allocated for General Corporate Purpose (GCP), which were originally scheduled to be fully utilized by March 31, 2023, remain partially unutilized as of December 31, 2025.	No comments
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 RASPL is reduced to ₹19.80 crore from ₹44.88 crore. Consequently, the amount towards GCP increased from ₹58.15 crore to ₹83.23 crore.	No comments
Whether the means of finance for the disclosed objects of the issue have changed?	Yes	Postal Ballot outcome published by the company BSE on May 6, 2024.	The amount to be invested in its subsidiary RASPL is reduced to ₹19.80 crore from ₹44.88 crore. Consequently, the amount towards GCP increased from ₹58.15 crore to ₹83.23 crore during Q1FY25.	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	No	Monitoring agency report dated November 12, 2025	No deviation	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Management certificate, RHP	No approvals were required as per RHP	No comments
Whether all arrangements pertaining to technical	Not applicable	Management certificate, RHP	No collaboration was required as per RHP	No comments

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
assistance/collaboration are in operation?				
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Management certificate	None	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Management certificate, Q2FY26 results published by the company on stock exchange on November 12, 2025	As per the company's Q2FY26 results, it reported a consolidated net loss of ₹9 crore for the quarter, primarily due to a ₹16.35 crore loss incurred by its wholly owned subsidiary, Niart Systems Limited (Niart), Israel. Niart, being a research and development entity, has been incurring product development costs and is yet to commence commercial production. Since the product remains under development, the related expenditure has been capitalized as per Ind AS 38.	No comments

*Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated January 14, 2026.

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	No revision	No comments	No comments	No comments
2	Funding working capital requirements of Company	Chartered Accountant certificate*, Final Prospectus	160.00	Not Applicable	No revision	No comments	No comments	No comments
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 ₹19.80 crore from ₹ 44.88 crore.	No comments	No comments	No comments
4	General corporate purposes (GCP)	Chartered Accountant certificate*, Final Prospectus, Postal Ballot Outcome	58.15	83.22	Consequently, amount towards general corporate purpose (GCP) increased from ₹58.15 crore to ₹83.23 crore.	No comments	No comments	No comments
Total			373.03	373.03				

* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated January 14, 2026.

(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	Amount has been fully utilized in previous quarters	Not applicable	Already incurred
2	Funding working capital requirements of our Company	CA certificate, Bank statements,	160.00	160.00	0.00	160.00	0.00	Amount has been fully utilized in previous quarters	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	Amount has been fully utilized in previous quarters	Not applicable	Already incurred
4	General corporate purposes (GCP)	Chartered Accountant certificate*, Bank statements	83.23	20.74	11.00	31.74	51.49	The company obtained board approval on September 2, 2025, to reallocate and utilize the unutilized IPO proceeds of ₹ 65.99 crore, earmarked for general corporate purposes as of June 30, 2025, towards working capital expenditures and capital expenditures to the extent of ₹10.00 crore to meet the business exigency requirement of the Company. Company is spending GCP expenses through its current account which are adjusted from FDs created from IPO funds.	No comments	Company will utilize the pending GCP amount towards working capital expenses
Total			373.03	310.54	11.00	321.54	51.49			

* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated January 14, 2026.

(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	6.99*	Please refer FD Note	1.05	7.15%	8.19
2	Fixed Deposit- Axis Bank	44.50	Please refer FD Note	10.36	7.45%	54.86
	Total	51.49		11.41		63.05

* Actual balance in FD with HDFC Bank is ₹7.14 crore of which ₹0.15 crore pertains to the company's own funds.

FD note:

Sl.no	Bank	Maturity Date	Amount invested	Return on investment in %	Market value at the end of the quarter
1	HDFC Bank	11-Apr-26	6.99*	7.15	8.19
2	Axis Bank	10-Dec-25	7.00	7.45	8.93
3	Axis Bank	10-Dec-25	12.50	7.45	15.31
4	Axis Bank	10-Dec-25	12.50	7.45	15.31
5	Axis Bank	10-Dec-25	12.50	7.45	15.31
	Total		51.49		63.05

* Actual balance in FD with HDFC Bank is ₹7.14 crore of which ₹0.15 crore pertains to the company's own funds.

(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	-	No comments	No comments
Funding working capital requirements of Company	March 31, 2023	Fully utilized as on March 31, 2023	-	No comments	No comments
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	-	No comments	No comments
General corporate purposes (GCP)	₹58.15 crore by March 31, 2023, and ₹25.08 crore by March 31, 2026	Ongoing	Delayed (exact number of days unascertainable)	No comments	Company will utilize the pending GCP amount towards working capital expenses

*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 outcome published on BSE on May 6, 2024.

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 January 14, 2026.

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	11.00	CA certificate*	Utilized for working capital expenditure	No comments
	Total	11.00			

* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated January 14, 2026

^ 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 utilize 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 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 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.

The company obtained board approval on September 2, 2025, to reallocate and utilize the unutilized IPO proceeds of ₹65.99 crore, earmarked for general corporate purposes as of June 30, 2025, for the general corporate purposes towards working capital expenditures and capital expenditures to the extent of Rs.10.00 Crores to meet the business exigency requirement of the Company.

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 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 statutory auditors, 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.

hj

No. CARE/BRO/GEN/2025-26/1035

**The Board of Directors
DCX Systems Limited**

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

February 12, 2026

Dear Sir,

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

We write in our capacity of Monitoring Agency (MA) 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 December 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: December 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.

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

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 Raneal Technologies Private Limited
 Industry/sector to which it belongs : Capital Goods- 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 : Not applicable
 Issue size (in crore) : Rs. 500.00 crore

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	Placement document, Management certificate	As per Placement document, the Company had planned to utilize ₹100 crore for investment in joint ventures and/or subsidiaries by March 31, 2025; however, this amount remained unutilized as of December 31, 2025. Furthermore, the remaining ₹100 crore earmarked for the same purpose, scheduled for deployment by March 31, 2026, is also unlikely to be utilized within the stipulated timeline. Similarly, the funds allocated for General Corporate Purposes (GCP) are expected to remain unutilized by the stated timeline of March 31, 2026. It is important to note that the Board of Directors, in earlier Monitoring Agency Report issued by CARE Ratings Limited on November 12, 2025, had indicated that the payments would be paid in three tranches over the next three years.	No comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Management Certificate	Not applicable	No comments
Whether the means of finance for the disclosed objects of the issue have changed?	No	Management Certificate	No	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	No	MA Report dated November 12, 2025	No deviations observed.	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	In progress	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	Company has entered into JV on April 21, 2025, all Government/

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
			System and other Radar Systems for Airborne and Land applications under "Make in India" projects. As of December 31, 2025, JVC has been established in the name of ELTX Systems Private Limited. Land for setting up the manufacturing unit has been allotted in Coimbatore, Tamil Nadu. Company would be required to obtain several approvals for construction and operationalization of the unit. The management remains confident that all necessary approvals will be obtained and that the investment in the JVC will be made within the expected timeframe.	statutory approvals are in progress
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	In progress	Discussion with management, Management certificate	JVC has been incorporated on October 10, 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	No such events have occurred.	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	Discussion with management, Management certificate, Q2FY26 results published by the company on stock exchange on November 12, 2025	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. As per the company's Q2FY26 results, it reported a consolidated net loss of ₹9 crore for the quarter, primarily due to a ₹16.35 crore loss incurred by its wholly owned subsidiary, Niart Systems Limited (Niart), Israel. Niart, being a research and development entity, has been incurring product development costs and is yet to commence commercial production. Since the product remains under development, the related expenditure has been capitalized as per Ind AS 38.	No comments

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*, Placement document ^	209.00	Not Applicable	No revision	No comments	No comments	No comments
2	Investment in joint ventures and/or subsidiaries	Chartered Accountant certificate*, Placement document ^	200.00	Not Applicable	No revision	No comments	No comments	No comments

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
3	General corporate purposes (GCP)	Chartered Accountant certificate*, Placement document ^	77.65	Not Applicable	No revision	No comments	No comments	No comments
Total			486.65					

* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated January 14, 2026.

^pg no : 88 of Placement document filed by the company with SEBI on January 19, 2024.

(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	209.00	209.00	0.00	209.00	0.00	None	No comments	No comments
2	Investment in joint ventures and /or subsidiaries	CA certificate, Bank statements, Discussion with management	200.00	0.00	0.00	0.00	200.00	No utilization during the quarter.	No comments	Company has signed the JV agreement and payment will be processed in 3 tranches over next 3 years.
3	General corporate purposes (GCP)	Chartered Accountant certificate*, Bank statements	77.65	0.72	0.00	0.72	76.93	No utilization during the quarter. As per management, GCP amount would primarily be utilized towards investment in the objects mentioned above.	No comments	Will be utilized for investment in subsidiary and JV
Total			486.65	209.72	0.00	209.72	276.93			

* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated January 14, 2026.

(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	91.61	04-02-2026	4.13	7.65%	95.74
2	FD-Axis Bank	61.00	27-01-2026	8.42	7.50%	69.42
3	FD-HDFC Bank	125.0	30-01-2026	4.73	7.75%	129.73
4	FD-HDFC Bank	0.13	03-04-2026	0.00	6.65%	0.13
5	ICICI MONITORING Account	0.11	NA	0.00	0.00	0.11
6	Less: Issue expenses amount not spent	0.92				
	Total	276.93		17.28		295.13

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

(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	Fully utilized as on May 14, 2025.	43 days	No comments	No comments
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 on three yearly installments and therefore the entire amount is estimated to be utilized during FY28.	No comments	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.	No comments	No comments

The above details were verified from the Information shared by company, placement document and the Chartered Accountant certificate from M/s NBS & Co. dated January 14, 2026.

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	No comments
	Total	0.00			

* Chartered Accountant certificate from M/s NBS & Co. Chartered Accountants dated January 14, 2026.

^ Section from the placement 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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