

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)**Standalone Statement of Assets and Liabilities**

(All amounts in Millions, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
ASSETS				
Non-current assets				
Property, plant and equipment	2	107.94	116.12	127.02
Right-of-use assets	3	38.10	38.10	38.10
Other intangible assets	4	0.48	1.78	0.88
Financial assets				
(i) Investments	5	1.00	-	-
(ii) Other financial assets	6	3.18	3.10	6.22
Deferred tax assets (net)	32 (d)	38.02	5.35	3.43
Other non-current assets	7	0.50	0.50	0.50
Total non-current assets		189.22	164.95	176.15
Current assets				
Inventories	8	272.51	2,016.76	772.11
Financial assets				
(i) Investments	9	-	-	1.19
(ii) Trade receivables	10	694.94	123.14	879.71
(iii) Cash and cash equivalents	11	1,883.79	858.83	564.07
(iv) Bank balances other than (ii) above	12	6,118.44	4,634.50	3,602.17
(v) Other financial assets	13	50.68	30.54	30.58
Other current assets	14	216.57	103.06	962.49
Total current assets		9,236.93	7,766.83	6,812.32
Total assets		9,426.15	7,931.78	6,988.47
EQUITY & LIABILITIES				
Equity				
Equity share capital	15	154.80	35.00	35.00
Other equity	16	1,021.17	432.86	136.70
Total equity		1,175.97	467.86	171.70
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	17	354.40	-	-
Provisions	18	10.38	8.29	8.21
Total non-current liabilities		364.78	8.29	8.21
Current liabilities				
Financial liabilities				
(i) Borrowings	19	4,671.80	1,363.79	1,339.77
(ii) Trade payables	20			
a) total outstanding dues of micro enterprises and small enterprises		452.63	9.96	2.39
b) total outstanding dues of creditors other than micro enterprises and small		512.50	1,288.03	1,504.60
(iii) Other financial liabilities	21	6.91	165.14	6.01
Other current liabilities	22	2,153.16	4,546.43	3,946.08
Provisions	23	0.44	0.41	0.40
Current tax liabilities (net)	32 (c)	87.96	81.87	9.31
Total current liabilities		7,885.40	7,455.63	6,808.56
Total liabilities		8,250.18	7,463.92	6,816.77
Total equity and liabilities		9,426.15	7,931.78	6,988.47

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information.

As per our report of even date attached

For
NBS & Co.
Chartered Accountants
FRN : 110100W

Pradeep Shetty
Partner
M No: 046940
Place: Mumbai
Date:28/06/2022
UDIN: 22046940ALVIVS1106

For and on behalf of Board of Directors of
DCX Systems Limited (Formerly known as DCX Cable
Assemblies Private Limited)
CIN: U31908KA2011PLC061686

H S Raghavendra Rao R Sankar Krishnan
Chairman & Managing Director Whole Time Director
DIN : 00379249 DIN : 00078459

K S Ranga Nagaraj R Dhavaskar
Chief Financial Officer Company Secretary
Membership No: A53230

Place : Bangalore
Date:28/06/2022

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)**Standalone Statement of Profit and Loss**

(All amounts in Millions, unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	24	11,022.73	6,411.63
Other Income	25	220.61	420.79
Total income		11,243.34	6,832.42
Expenses			
Cost of materials Consumed	26	9,293.43	6,604.35
Changes in inventories of finished goods and work-in-progress	27	712.43	(419.66)
Employee benefit expenses	28	86.65	54.79
Finance cost	29	113.22	99.22
Depreciation and amortisation expenses	30	21.75	24.31
Other expenses	31	260.25	71.35
Total expenses		10,487.73	6,434.36
Profit/(loss) before Exceptional Items, and Tax		755.61	398.06
Exceptional items		-	-
Profit before tax		755.61	398.06
Tax expense:	32		
Current tax		(132.02)	(104.65)
Deferred tax		2.59	2.17
MAT Credit		29.96	
Total Tax Expenses		(99.47)	(102.48)
Profit for the period (A)		656.14	295.58
Other comprehensive (loss)/ income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		(0.32)	0.82
(i) Income tax relating to remeasurements of defined benefit liability / (asset)		0.11	(0.24)
		(0.21)	0.58
Total comprehensive income for the period (A+ B)		655.93	296.16
Earnings per equity share [nominal value of Rs. 2]			
Basic	33	9.19	4.22
Diluted		9.19	4.22

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information.

As per our report of even date attached

For
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R Sankarakrishnan
Whole Time Director
DIN: 00078459

K S Ranga
Chief Financial Officer
Place: Bangalore
Date: 28/06/2022

Nagaraj R Dhavaskar
Company Secretary
Membership No. A53230

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)**Standalone Statement of Cash Flows**

(All amounts in Millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Profit before tax	755.61	398.06
Adjustments to reconcile profit before tax to net cash flows:		
Interest on fixed deposits	(220.24)	(223.96)
(Income) / loss arising from fair valuation of assets through profit & loss	-	0.19
Interest on borrowings	72.40	47.39
Depreciation and amortisation expense	21.75	24.31
Operating profit before working capital changes	629.52	245.99
Movement in working capital:		
(Increase)/Decrease in trade receivables	(571.80)	756.57
(Increase)/Decrease in inventories	1,744.25	(1,244.65)
(Increase)/Decrease in other current assets	(113.51)	859.43
(Increase)/Decrease in other non current financial assets	(0.08)	3.12
(Increase)/Decrease in other current financial assets	(20.14)	0.04
Increase/(Decrease) in trade payables	(332.86)	(209.00)
Increase/(Decrease) in non current provisions	2.08	0.66
Increase/(Decrease) in current provisions	(0.18)	0.01
Increase/(Decrease) in other current financial liabilities	(158.23)	159.13
Increase/(Decrease) in other current liabilities	(2,393.27)	600.35
Cash generated from operations	(1,214.22)	1,171.65
Net income tax (paid)	(126.03)	(31.84)
Net cash from operating activities (A)	(1,340.25)	1,139.81
B. Cash flows from investing activities		
Purchase of property, plant and equipment and Other Intangible assets	(16.16)	(15.84)
Proceeds from disposal of property, plant and equipment	3.90	1.53
Investment/(Sale) of mutual funds	-	1.00
Investment in Subsidiary	(1.00)	-
Interest received	220.24	223.96
Net cash used in investing activities (B)	206.98	210.65
C. Cash flows from financing activities		
Proceeds / (repayment) from working capital/Working Capital Term Loan facilities (net)		
Leases		
Working Capital/working Capital Term Loan	3,662.40	24.02
Proceeds from issue of Shares	52.17	-
Interest paid	(72.40)	(47.39)
Net cash used in financing activities (C)	3,642.17	(23.37)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	2,508.90	1,327.09
Cash and cash equivalents at the beginning of the period / year	5,493.33	4,166.24
Cash and cash equivalents at the end of the period / year	8,002.23	5,493.33
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	-	0.01
Balances with bank		
- Current accounts	1,883.79	858.82
Other bank balances	6,118.44	4,634.50
	8,002.23	5,493.33

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information.

As per our report attached of even date

For
NBS & Co.
Chartered Accountants
FRN : 110100W

Pradeep Shetty
Partner
M No: 046940
Place: Mumbai
Date: 28/06/2022
UDIN: 22046940ALVIVS1106

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K S Ranga
Chief Financial Officer
Place: Bangalore
Date: 28/06/2022

Nagaraj R Dhavaskar
Company Secretary
Membership No. A53230

Standalone Statement of Changes in Equity

(All amounts in Millions, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number of Shares*	Amount	Number of Shares*	Amount	Number of Shares*	Amount
Balance at the beginning of the reporting year	35,00,000	35.00	35,00,000	35.00	35,00,000	35.00
Changes in equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance as at the beginning of the reporting period / year	35,00,000	35.00	35,00,000	35.00	35,00,000	35.00
Changes in equity share capital during the period / year						
Equity Shares issued during the year in consideration for cash	3,70,000.00	3.70	-	-	-	-
Number of Shares after Sub division during the year (5 shares for 1 share)	1,93,50,000.00	38.70	-	-	-	-
Bonus Issue of shares during the period (in the Ratio of 3 :1)	5,80,50,000.00	116.10	-	-	-	-
Balance at the end of the reporting period / year	7,74,00,000	154.80	35,00,000	35	35,00,000	35.00

* Number of shares is presented as absolute number.

(b) Other equity

Balance at 1 April 2019	39.52	-	39.52
Total comprehensive income for the year ended 31 March 2020			
Profit for the year	97.44	-	97.44
Other comprehensive income (net of tax)			
- Remeasurements of defined benefit liability / (asset)	(0.26)	-	(0.26)
- Equity instruments designated through other comprehensive income (Refer note (i) below)	-	-	-
Total comprehensive income	97.18	-	97.18
Balance at 31 March 2020	136.70	-	136.70
Balance at 1 April 2020	136.70	-	136.70
Total comprehensive income for the year ended 31 March 2021			
Profit for the year	295.58	-	295.58
Other comprehensive income (net of tax)			
- Remeasurements of defined benefit liability / (asset)	0.58	-	0.58
Total comprehensive income	296.16	-	296.16
Balance at 31 March 2021	432.86	-	432.86
Balance at 1 April 2021	432.86	-	432.86
Total comprehensive income for the year ended 31 March 2022			
Profit for the year	656.14	-	656.14
Other comprehensive income (net of tax)			
- Remeasurements of defined benefit liability / (asset)	(0.21)	-	(0.21)
Total comprehensive income	655.92	-	655.92
Proceeds from issue of shares	-	48.47	48.47
Utilized for issue of bonus shares	(67.63)	(48.47)	(116.10)
Balance at 31 March 2022	1,021.16	-	1,021.16

Nature and purpose of reserves

i) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

ii) Securities premium

Securities premium account is used to record the premium on issue of shares.

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information.

As per our report of even date attached.

For
NBS & Co.
Chartered Accountants
FRN : 110100W

Pradeep Shetty
Partner
M No: 046940
Place: Mumbai
Date: 28/06/2022
UDIN: 22046940ALVIVS1106

For and on behalf of the Board of Directors of
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Whole Time Director
DIN: 00078459

K S Ranga
Chief Financial Officer
Place: Bangalore
Date: 28/06/2022

Nagaraj R Dhavaskar
Company Secretary
Membership No. A53230

DCX SYSTEMS LIMITED (Formerly known as DCX Cable Assemblies Private Limited)

Note 1 : Significant Accounting Policies forming part of the Standalone financial statements

1. Corporate Information:

DCX Systems Limited (Formerly known as DCX Cable Assemblies Private Limited) is one of the leading Indian Defence Manufacturing player offering a full service and manufacture of Electronic Systems and cable harnesses for both International and Domestic reputed customers. The manufacturing facility is located at Plot Nos 29, 30, and 107, Hitech, Defence and Aerospace Park, Devanahalli, Bengaluru, Karnataka – 562110, India.

2. Significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation and Compliance:

a. Preparation of Financial statements:

The financial statements, for the financial year 31 March 2022 were prepared based on the accounting standards under IND AS framework.

b. Statement of compliance:

The Financial Statements have been prepared and presented in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and presentation requirements of division II of schedule III to the companies Act 2013, (Ind As compliant schedule III)

c. Functional and presentation currency:

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Indian Rupees (INR), which is Company functional and presentation currency.

d. Basis of measurement:

The financial statements have been prepared on a historical cost convention and on accrual basis of accounting except for (i) certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, (ii) Defined benefit plans-plan assets measured at fair value as stated in the accounting policies set out below. The financial statements are prepared on a going concern basis using the accrual concept except for the cash flow information. The accounting policies have been applied consistently over all the periods presented in these financial statements. The said accounts has been approved by the Board of Directors at their meeting held on 28/06/2022. Historical cost is generally based on fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the assets or liability if market participants would take those characteristics into the account when pricing the asset or liability at the measurement date.

e. Use of estimates, judgements and assumptions:

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, assumptions, uncertainty, and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in relevant notes.

f. Estimation of uncertainty relating to COVID – 19 outbreak:

The company has considered internal and external sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The company has used the principles of prudence in applying the judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the company has accrued its liabilities and also expects to fully recover the carrying amount of trade receivables including intangible assets, investments and derivatives if any. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

g. Going Concern assumption:

The management has given the significant uncertainties arising out of the various situations, as explained in the note below, assessed the cash flow projections (based on orders on hand and business forecast) and available liquidity (credit facilities sanctioned by bankers) for a period of at least 12 months from the date of this financial statements. Based on this evaluation, management believes that the company will be able to continue as a going concern in the foreseeable future and for a period of at least 12 months from the date of these financial statements. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the company be unable to continue as a going concern.

h. Current and Non-current classification of assets and liabilities:

All assets and liabilities have been classified and disclosed as current and non-current as per the companies' normal operating cycle and other criteria set out in Schedule -III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of classification of assets and liabilities.

i. Reclassification:

No such material reclassification done during the year.

j. Property, Plant and Equipment:

Recognition and measurement:

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognized as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts,

borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Spare parts procured along with the Plant and Equipment or subsequently which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is de recognized on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Subsequent costs:

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing the property, plant and equipment are recognized in the statement of profit and loss as incurred.

Disposal:

An item of property, plant and equipment is derecognized upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the statement of profit and loss.

k. Depreciation:

Depreciation on Property, Plant & Equipment is provided on written down value basis over the estimated economic useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 or as determined based on a technical evaluation by the company periodically. The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognized. Individual assets costing Rs.5000 or less are depreciated in full, in the year of purchase

l. Impairment of assets:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

m. Intangible Assets:

Recognition and measurement:

Intangible assets are recognised when the asset is identifiable, is within the control of the

Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually, either individually or at the cash-generating unit level.

Expenditure on Research activities is recognised in the statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price. Subscriptions to software are treated as revenue expenses as the economic life of such software does not exceed one year.

Subsequent measurement:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation:

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposal:

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

n. Investments and other Financial Assets:

Fair Value Assessment:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant

observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Subsequent Measurement:

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost:

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Financial assets at fair value through OCI ('FVTOCI'):

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit And Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

Financial assets at fair value through profit or loss ('FVTPL'):

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

Derecognition:

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the

financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of Financial Assets:

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

Financial Liabilities:

The Company's financial liabilities include trade payable.

A. Initial recognition and measurement:

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss.

B. Subsequent measurement:

The subsequent measurement of financial liabilities depends upon the classification as described below:-

(i) Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

(ii) Financial Liabilities classified as Fair value through profit and loss (FVTPL):

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

C. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

D. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts

and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Other incomes, other than interest and dividend are recognized when the same are due to be received and right to receive such other income is established.

o. Share Capital and Share Premium:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

p. Dividend Distribution to equity shareholders:

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

q. Cash Flows and Cash and Cash Equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, Bank overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

r. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

s. Revenue Recognition and Other Income:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- '- the gross carrying amount of the financial asset; or
- '- the amortised cost of the financial liability.

t. Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

'- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

'- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

'- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

the Company has the right to operate the asset; or

the Company designed the asset in a way that predetermines how and for what purpose it will be used.

'At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any

lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets re determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease being 99 years remaining as on the date of purchase.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

u. Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the

taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax:

Deferred tax is provided using the balance sheet method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in Other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly or directly in equity respectively.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

v. Employee benefits:

(a) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

(b) Long term benefits:

Defined Contribution Plans:

The Company contributes to the employee's approved provident fund scheme. The Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

Defined Benefit Plans:

Gratuity Liability is a defined benefit obligation and is provided on the basis of an actuarial valuation model made at the end of the Financial Year. At present the company is not maintaining fund with any Asset Management Company towards gratuity.

Earned Leave:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The liability toward leave encashment is provided on the basis of an actuarial valuation model made at the end of the financial year.

w. Trade Receivables:

Trade Receivables are the amount due from the customers for the sale of goods and services rendered in the ordinary course of business. Trade receivables are initially recognized at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognized that the fair value. The company holds trade receivables for the receipt of contractual cashflows and therefore measures them subsequently at the amortized cost using effective interest rate method. In respect of advances received from the customers, contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue where the company performs under the contract (transfer control of the related goods or services to the customers).

x. Trade Payables:-

These amounts represents liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the terms of contract with suppliers.

y. Inventories:

- a. Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value after providing cost of obsolescence.
- b. In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- c. Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.
- d. Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

z. Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost that an entity incurs in connection with the borrowings of the funds.

aa. Earnings per share:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

¹- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

¹- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

bb. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director as Chief Operating Decision Maker.

cc. Foreign currency transactions:

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognized in the statement of profit and loss

dd. Government grants and subsidies:

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

ee. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Financial Statements is required to be disclosed.

However, the Ministry of Corporate Affairs ("MCA") amended Schedule III of the Companies Act, 2013, through a notification dated March 24, 2021. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. key amendments relating to Division which related to companies whose financial statements are required to comply with companies (IND AS) rule 2015 are :

1. Balance Sheet

- a. Lease liabilities should be separately disclosed under the head "Financial Liabilities", duly distinguished as current or non current.
- b. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c. Specified format for disclosure of shareholding of promoters.
- d. Specified format for ageing schedule of trade receivables, trade payables, capital work in progress and intangible assets under development.
- e. If a company has not used funds for the specific purpose for it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- f. Specific disclosure under "additional regulatory requirement" such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immoveable property not held in the name of the company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.,

2. Statement of Profit and Loss:

- a. Additional disclosure relating to corporate social responsibility (CSR), undisclosed income and Crypto or virtual currency specified under the head "additional information" in the notes forming part of the standalone financial statements.

2 Property, plant and equipment

Description	Owned assets									
	Computers	Office Equipments	Furniture and Fixtures	Leasehold improvements	Tools & Equipments	Electrical Installations	Plant & Machinery	Building	Vehicle	Total Owned assets
Gross block										
As at 1 April 2019	4.46	2.05	1.44	6.14	4.48	0.86	4.29	-	-	23.72
Additions	0.41	-	2.05	2.20	0.53	6.11	34.39	49.48	7.62	102.79
Disposals during the period / year	-	-	-	-	-	-	-	25.12	-	27.96
As at 31 March 2020	4.87	2.05	3.49	8.34	5.01	9.81	38.68	74.60	7.62	154.47
As at 1 April 2020	4.87	2.05	3.49	8.34	5.01	9.81	38.68	74.60	7.62	154.47
Additions	1.11	0.09	0.42	-	0.10	0.28	0.48	11.97	-	14.45
Disposals during the period / year	-	-	-	-	-	-	-	(1.54)	-	(1.54)
As at 31 March 2021	5.98	2.14	3.91	8.34	5.11	10.09	39.16	85.03	7.62	167.38
As at 1 April 2021	5.98	2.14	3.91	8.34	5.11	10.09	39.16	85.03	7.62	167.38
Additions	0.80	0.22	0.55	-	-	0.01	-	0.02	14.29	15.89
Disposals during the period / year	-	-	-	-	-	-	-	-	(3.90)	(3.90)
As at 31 March 2022	6.78	2.36	4.46	8.34	5.11	10.10	39.16	85.05	18.01	179.37
Accumulated depreciation										
As at 1 April 2019	3.90	1.55	0.98	5.83	3.07	0.46	3.35	-	-	19.14
Depreciation for the period / year	0.26	0.13	0.16	2.51	0.38	0.30	3.23	0.60	0.74	8.31
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2020	4.16	1.68	1.14	8.34	3.45	0.76	6.58	0.60	0.74	27.45
As at 1 April 2020	4.16	1.68	1.14	8.34	3.45	0.76	6.58	0.60	0.74	27.45
Depreciation for the period / year	0.74	0.10	0.69	-	0.43	2.39	9.64	7.67	2.16	23.82
Depreciation on disposals	-	-	-	-	-	-	-	(0.01)	-	(0.01)
As at 31 March 2021	4.90	1.78	1.83	8.34	3.88	3.15	16.22	8.26	2.90	51.26
As at 1 April 2021	4.90	1.78	1.83	8.34	3.88	3.15	16.22	8.26	2.90	51.26
Depreciation for the period / year	0.20	0.09	0.62	-	0.32	1.82	6.78	7.29	3.05	20.17
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	5.10	1.87	2.45	8.34	4.20	4.97	23.00	15.55	5.95	71.43
Net block										
As At 1 April 2020	0.71	0.37	2.35	0.00	1.56	9.05	32.10	74.00	6.88	127.02
As At 31 March 2021	1.08	0.36	2.08	0.00	1.23	6.94	22.94	76.77	4.72	116.12
As At 31 March 2022	1.68	0.49	2.01	0.00	0.91	5.13	16.16	69.50	12.06	107.94

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

(All amounts in Millions, unless otherwise stated)

Title deeds of Immovable Properties

Descriptions	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Title deeds held in the name of	DCX Cable Assemblies Private Limited		
Whether title deed holder is a promoter, director or relative of promoter/ director or	N.A.		
Reason for not being held in the name of Company	The name of the company has changed from DCX Cable Assemblies Private Limited to DCX Systems Private Limited w.e.f 03-01-2022. Further the company was converted from private limited to public limited w.e.f. 02-02-2022. However, the title deed are still in the name of DCX Cable Assemblies Private Limited.		

3 Right-of-use assets

Particulars	Gross Block			Amortisation			Net Block		
	As at 01 April 2021	- Disposals during the period / year	As at 31 March 2022	As at 01 April 2021	Charge for the period / year	Disposals during the period / year	As at 31 March 2022	As at 01 April 2021	As at 31 March 2022
Leasehold land	38.10	-	38.10	-	-	-	-	38.10	38.10
Total Assets	38.10	-	38.10	-	-	-	-	38.10	38.10

Particulars	Gross Block			Amortisation			Net Block		
	As at 01 April 2020	- Disposals during the period / year	As at 31 March 2021	As at 01 April 2020	Charge for the period / year	Disposals during the period / year	As at 31 March 2021	As at 01 April 2020	As at 31 March 2021
Leasehold land	38.10	-	38.10	-	-	-	-	38.10	38.10
Properties	-	-	-	-	-	-	-	-	-
Total Assets	38.10	-	38.10	-	-	-	-	38.10	38.10

Particulars	Gross Block			Amortisation			Net Block			
	As at 01 April 2019	Additions	Disposals during the period / year	As at 31 March 2020	As at 01 April 2019	Charge for the period / year	Disposals during the period / year	As at 31 March 2020	As at 01 April 2019	As at 31 March 2020
Leasehold land	38.10	-	-	38.10	-	-	-	-	38.10	38.10
Properties	21.02	-	(21.02)	-	6.34	4.80	(11.14)	-	14.68	-
Total Assets	59.12	-	(21.02)	38.10	6.34	4.80	(11.14)	-	52.78	38.10

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
 (All amounts in Millions, unless otherwise stated)

4 Other intangible assets

Description	Computer Software	Total
Gross block		
As at 1 April 2019	7.92	7.92
Additions	0.04	0.04
Disposals during the period / year		
As at 31 March 2020	7.96	7.96
As at 1 April 2020	7.96	7.96
Additions	1.39	1.39
Disposals during the period / year	-	-
As at 31 March 2021	9.35	9.35
As at 1 April 2021	9.35	9.35
Additions	0.28	0.28
Disposals during the period / year	-	-
As at 31 March 2022	9.63	9.63
Amortisation		
As at 1 April 2019	6.80	6.80
Amortisation for the period / year	0.28	0.28
Disposal during the period / year		
As at 31 March 2020	7.08	7.08
As at 1 April 2020	7.08	7.08
Amortisation for the period / year	0.49	0.49
Disposal during the period / year	-	-
As at 31 March 2021	7.57	7.57
As at 1 April 2021	7.57	7.57
Amortisation for the period / year	1.58	1.58
Disposal during the period / year	-	-
As at 31 March 2022	9.15	9.15
Net block		
As at 1 April 2020	0.88	0.88
As at 31 March 2021	1.78	1.78
As at 31 March 2022	0.48	0.48

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
 (All amounts in Millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
5 Investments			
Investment measured at cost			
Investment in wholly owned subsidiary (unquoted investments)			
1,00,000 (31 March 2021 : Nil ; 1 April 2020 : Nil) equity shares of "Raneal Advanced Systems Private Limited " of Rs 10 Each	1.00	-	-
	<u>1.00</u>	<u>-</u>	<u>-</u>
(a) Aggregate book value of quoted investments	-	-	-
(b) Aggregate market value of quoted investments	-	-	-
(c) Aggregate amount of unquoted investments	1.00	-	-
(d) Aggregate amount of impairment in value of investments	-	-	-
6 Other non-current financial assets			
Security deposits	0.73	0.74	4.14
Other deposits	0.01	0.05	0.06
Fixed deposits with banks with maturity of more than 12 months (Kept as margin money with Banks)	2.44	2.31	2.02
	<u>3.18</u>	<u>3.10</u>	<u>6.22</u>
7 Other non-current assets			
Capital advances	0.50	0.50	0.50
	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
8 Inventories (valued at lower of cost and net realisable value)			
Raw material	272.51	1,304.33	479.34
Finished goods	-	19.97	149.33
Work in progress	-	692.46	143.44
	<u>272.51</u>	<u>2,016.76</u>	<u>772.11</u>
9 Investments			
A. Investments carried at fair value through profit and loss (FVTPL)			
Investment in mutual funds - Quoted*	-	-	1.19
	<u>-</u>	<u>-</u>	<u>1.19</u>
* Details of investments in mutual funds			
Nil (31 March 2021 : Nil ; 1 April 2020 : 1,00,000) units of Canara Robeco Capital Protection Oriented Fund.	-	-	1.19
	<u>-</u>	<u>-</u>	<u>1.19</u>
Total	<u>-</u>	<u>-</u>	<u>1.19</u>
(a) Aggregate book value of quoted investments	-	-	1.19
(b) Aggregate market value of quoted investments	-	-	-
(c) Aggregate amount of unquoted investments;	-	-	-
(c) Aggregate amount of impairment in value of investments	-	-	-
10 Trade receivables (Unsecured)			
Trade receivables considered good	694.94	123.14	879.71
Trade receivables - credit impaired	-	-	-
	<u>694.94</u>	<u>123.14</u>	<u>879.71</u>
Less: Allowance for doubtful receivables	-	-	-
	<u>694.94</u>	<u>123.14</u>	<u>879.71</u>
The above amount includes :			
Receivable from related parties	-	-	-
Others	694.94	123.14	879.71
Total	<u>694.94</u>	<u>123.14</u>	<u>879.71</u>

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
(All amounts in Millions, unless otherwise stated)

As at 31 March 2022

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed trade receivables - considered good	688.13	-	6.81	-	-	694.94
(ii) Undisputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	688.13	-	6.81	-	-	694.94

As at 31 March 2021

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed trade receivables - considered good	9.74	113.40	-	-	-	123.14
(ii) Undisputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	9.74	113.40	-	-	-	123.14

As at 01 April 2020

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed trade receivables - considered good	874.94	4.77	-	-	-	879.71
(ii) Undisputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	874.94	4.77	-	-	-	879.71

*The Company exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note no. 37 on financial instruments.

11 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Cash in hand	-	0.01	-
Balances with banks			
Current accounts	1,883.79	858.82	564.07
In deposit account (the maturity of the period of which is less than 3 months)	-	-	-
	1,883.79	858.83	564.07

12 Bank balances other than cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Other bank balances			
Deposits with original maturity of more than 3 months (Kept as margin money with Banks)	6,118.44	4,634.50	3,602.17
	6,118.44	4,634.50	3,602.17

13 Other current financial assets

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
MEIS incentive receivables	50.68	30.54	30.58
	50.68	30.54	30.58

14 Other current assets
(Unsecured, considered good)

	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Advances to suppliers	170.76	78.62	951.95
Balances with statutory/government authorities	13.45	9.04	5.46
Prepaid expenses	14.13	15.40	4.98
Advance salary	0.93	-	0.10
Expenses Relating To Public Issue	17.30	-	-
	216.57	103.06	962.49

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
(All amounts in Millions, unless otherwise stated)

17 Long Term Borrowings	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Secured Working Capital Term Loan from Bank	354.40	-	-
	<u>354.40</u>	<u>-</u>	<u>-</u>

The Working Capital Term Loan, Loan under ECGL(Emergency Credit Line Guarantee Scheme) Interest @ 7.5% PA with a tenure of 60 to 72 Months and second Charge on movable fixed assets of the company both present and future.

18 Provisions			
Provision for employee benefits			
Leave encashment	3.89	2.81	2.81
Gratuity (Refer note no. 40 for further disclosures)	6.49	5.48	5.40
	<u>10.38</u>	<u>8.29</u>	<u>8.21</u>

19 Borrowings

Secured From Bank			
Working capital loan	4,671.80	1,363.79	1339.77
	<u>4,671.80</u>	<u>1,363.79</u>	<u>1,339.77</u>

Terms and Conditions:

- For working capital limits charge is created on the entire current assets and movable fixed assets of the company both present and future, personal guarantee of Managing Director, Corporate Guarantee from Associate companies .
-Cash Credit/Overdraft limits are payable on demand, Export credits are for a tenor of 90-180 days. Interest is payable @ LIBOR /SOFRplus 150 to 350 basis points.

20 Trade payables

Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 35)	452.63	9.96	2.39
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	512.50	1,288.03	1,504.60
	<u>965.13</u>	<u>1,297.99</u>	<u>1,506.99</u>

Notes :

(1) Refer note for related party disclosure.

As at 31 March 2022

Particulars	Outstanding for following periods Particulars from due date of payment				Total
	Unbilled Dues	Less than 1 ye:	1-2 years	2-3 years	
(i) MSME	-	452.63	-	-	452.63
(ii) Others	-	512.50	-	-	512.50
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<u>-</u>	<u>965.13</u>	<u>-</u>	<u>-</u>	<u>965.13</u>

As at 31 March 2021

Particulars	Outstanding for following periods Particulars from due date of payment				Total
	Unbilled Dues	Less than 1 ye:	1-2 years	2-3 years	
(i) MSME	-	9.96	-	-	9.96
(ii) Others	-	1,288.03	-	-	1,288.03
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<u>-</u>	<u>1,297.99</u>	<u>-</u>	<u>-</u>	<u>1,297.99</u>

As at 1 April 2020

Particulars	Outstanding for following periods Particulars from due date of payment				Total
	Unbilled Dues	Less than 1 ye:	1-2 years	2-3 years	
(i) MSME	-	2.39	-	-	2.39
(ii) Others	-	1,504.60	-	-	1,504.60
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<u>-</u>	<u>1,506.99</u>	<u>-</u>	<u>-</u>	<u>1,506.99</u>

21 Other financial liabilities	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Accrued expense payable	1.61	161.01	1.76
Employee benefits payable	5.30	4.13	4.25
	<u>6.91</u>	<u>165.14</u>	<u>6.01</u>

22 Other current liabilities

Advance received from customers	2,147.31	4,542.94	3,936.65
Statutory dues payable	5.85	3.49	9.43
	<u>2,153.16</u>	<u>4,546.43</u>	<u>3,946.08</u>

23 Provisions

Provision for gratuity	0.27	0.28	0.27
Provision for leave encashment	0.17	0.13	0.13
	<u>0.44</u>	<u>0.41</u>	<u>0.40</u>

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
(All amounts in Millions, unless otherwise stated)

15 Share capital

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Authorised :			
125,000,000 Equity Shares of Rs 2/- Each (01 April 2020 & 31 March 2021 : 35,000,000 Equity shares of Rs.10 each.)	250.00	35.00	35.00
(Note: During the year 150,000 fully convertible preference shares of Rs. 100.00 each has been reclassified to 1,500,000 equity shares of Rs. 10.00 each vide Extra Ordinary general meeting dated 24/11/2021 and Authorized capital has been further increased by 100,000,000 equity shares of Rs 2/- each vide Extra ordinary general meeting dated 27/01/2022. With this reclassification the present authorised share capital stands to 125,000,000 equity shares of Rs. 2/- each)			
Preference Shares (150,000 preference shares of Rs.100 each.)	-	15.00	15.00
TOTAL	250.00	50.00	50.00
Issued and subscribed and paid up:			
Equity share capital			
77,400,000 equity shares of Rs.2/-each (01 April 2020 & 31 March 2021: 35,00,000 equity shares of Rs.10/-each).	154.80	35.00	35.00
TOTAL	154.80	35.00	35.00

* Number of shares is presented as absolute number.

Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity share :	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
	Number of Shares*		
Outstanding at the beginning of the year	35,00,000	35,00,000	35,00,000
Equity Shares issued during the year in consideration for cash			
Preferential allotment (Refer note 1 below)	1,00,000	-	-
Right issue (Refer note 2 below)	2,70,000	-	-
Total number of shares before Sub Division	38,70,000.00	35,00,000	35,00,000
Adjustment for subdivision of shares (Refer note 3 below)	1,54,80,000	-	-
Bonus Issue of shares during the year (Refer note 5 below)	5,80,50,000	-	-
Outstanding at the end of the year	7,74,00,000.00	35,00,000.00	35,00,000.00

* Number of shares is presented as absolute number.

Notes :

1. Company has issued 100,000 Equity shares at face value of Rs 10/- with premium Rs. 131/- (Total Amount Rs 14.10 Mn) on 20.01.2022 on Preferential allotment basis.
2. Company has issued 270,000 Equity Shares at face value of Rs 10/- with premium Rs. 131/- (Total Amount Rs 38.07 Mn) on 24.01.2022 on right issue basis.
3. Company in their Board of Directors meeting dated 25.01.2022 has approved for Sub-division of its shares from the face value of Rs.10 each to face value of Rs.2 each.
4. Company in their Board of Directors meeting dated 27.01.2022 has approved for increase in Authorized Share capital from Rs.50.00 Mn to Rs. 250.00 Mn)
5. Company in their Board of Directors meeting dated 27.01.2022 has approved for issue of Bonus shares in the ratio of 3:1.

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
(All amounts in Millions, unless otherwise stated)

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity and preference shares

Equity shares

As to dividend The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.

As to repayment of capital

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

As to voting

The Company has Equity Shares of Rs. 2.00 each and each holder of the equity share is entitled to one vote per share.

Shareholders holding more than 5% shares in the Company is set out below:

	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Equity shares of Rs 2 each fully paid		Equity shares of Rs 10 each fully paid		Equity shares of Rs 10 each fully paid	
	Number of Shares*	Number of Shares %	Number of Shares*	Number of Shares %	Number of Shares*	Number of Shares %
Mr. Dinesh Poonamchand Shah	-	0.00%	8,04,850.00	23.00%	8,04,850.00	23.00%
M/s NCBG Holdings Inc	3,43,00,000.00	44.32%	9,10,000.00	26.00%	9,10,000.00	26.00%
M/s VNG Technology Pvt Ltd	3,43,00,000.00	44.32%	17,85,000.00	51.00%	17,85,000.00	51.00%
H S Raghavendra Rao	74,00,000.00	9.56%	-	0.00%	-	0.00%

Promoters Shareholding in the Company is set out below:

	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Equity shares of Rs 2 each fully paid		Equity shares of Rs 10 each fully paid		Equity shares of Rs 10 each fully paid	
	Number of Shares*	Number of Shares %	Number of Shares*	Number of Shares %	Number of Shares*	Number of Shares %
Mr. Dinesh Poonamchand Shah	-	0.00%	8,04,850	23.00%	8,04,850	23.00%
M/s NCBG Holdings Inc	3,43,00,000	44.32%	9,10,000	26.00%	9,10,000	26.00%
M/s VNG Technology Pvt Ltd	3,43,00,000	44.32%	17,85,000	51.00%	17,85,000	51.00%
H S Raghavendra Rao	74,00,000	9.56%	-	0.00%	-	0.00%

* Number of shares is presented as absolute number.

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
 (All amounts in Millions, unless otherwise stated)

16 Other equity

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Reserves and surplus			
A. Retained earnings	1,021.17	432.86	136.70
B. Securities premium	-	-	-
	<u>1,021.17</u>	<u>432.86</u>	<u>136.70</u>

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
A. Retained earnings			
Balance at the beginning of current reporting year	432.86	136.70	39.52
Profit for the year	656.14	295.58	97.44
Less: Utilized for issue of Balance Bonus Shares	(67.63)	-	-
Other comprehensive (loss)/ income			
-Remeasurements of defined benefit liability / (asset) (net of tax)	(0.21)	0.58	(0.26)
	<u>1,021.17</u>	<u>432.86</u>	<u>136.70</u>

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
B. Securities premium			
Opening balance	-	-	-
Add : Proceeds from issue of Shares	48.47	-	-
Less : Utilized for issue of Bonus Shares	(48.47)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
 (All amounts in Millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
24 Revenue from operations		
Sale of products	10,976.66	6,378.72
Sale of services	17.46	4.60
Other operating revenue		
MEIS incentive received	28.61	28.31
	11,022.73	6,411.63
Refer note no. 41 for further disclosures.		
25 Other income		
Interest on fixed deposits	220.24	223.96
Foreign exchange fluctuation	-	196.05
Other income	0.37	0.78
	220.61	420.79
26 Cost of materials consumed		
Opening Stock	1,304.33	479.34
Import purchases	1,770.47	1,086.60
Local purchases	6,491.14	6,342.74
Closing Stock	272.51	1,304.33
	9,293.43	6,604.35
27 Changes in inventories of finished goods and work-in-progress		
Opening inventories		
Finished goods	19.97	149.33
Work-in- process	692.46	143.44
Total (A)	712.43	292.77
Closing Inventories		
Finished goods	-	19.97
Work-in- process	-	692.46
Total (B)	-	712.43
Total (A-B)	712.43	(419.66)
28 Employee benefit expenses		
Salaries and wages including bonus, incentives	76.86	50.92
Staff welfare expenses	6.89	2.52
Gratuity	2.48	1.18
Employee Insurance	0.42	0.17
	86.65	54.79
29 Finance costs		
Interest on borrowings	72.40	47.39
Interest on Working Capital Term Loan	0.71	-
Bank charges	8.06	9.86
Other borrowing costs	32.05	41.97
	113.22	99.22

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
 (All amounts in Millions, unless otherwise stated)

30 Depreciation and amortisation expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 2)	20.17	23.82
Amortisation of right-of-use asset (refer note 3)	-	-
Amortisation of intangible assets (refer note 4)	1.58	0.49
	<u>21.75</u>	<u>24.31</u>
31 Other expenses		
Manufacturing service cost expenses		
Power and fuel expenses	2.61	2.31
Repairs and maintenance		
Building	0.97	0.11
Machinery	1.47	0.85
Wages and labour charges	6.01	6.04
Freight expenses	11.70	11.48
Water Charges	0.53	0.36
Administrative and general expenses		
Director Sitting Fees	0.30	-
Insurance	3.43	1.30
Rates and taxes	5.33	3.93
Net loss on foreign currency translation	168.82	-
Business promotion expenses	0.99	0.13
Travelling and conveyance	2.63	0.45
Professional & consultancy fees	36.06	25.32
Communication expenses	0.53	0.53
Printing and stationery	0.33	0.29
Others expenses	17.84	17.36
	-	0.19
Income / (loss) arising from fair valuation of assets through profit & loss		
Remuneration to auditors		
Statutory audit	0.70	0.70
	<u>260.25</u>	<u>71.35</u>

32 Taxes

(a) Statement of profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
Current income tax charge	(132.02)	(104.65)
Deferred tax	2.59	2.17
MAT Credit	29.96	-
Income tax expense reported in the statement of profit or loss	(99.47)	(102.48)

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax		
Remeasurements gains and losses on post employment benefits	0.11	(0.24)
Income tax recognised in OCI	0.11	(0.24)

(c) Balance sheet

Current tax assets

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Non-current tax assets	-	-	-
Current tax assets	-	-	-
Total tax assets	-	-	-

Current tax liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Income tax (net of advance tax)	87.96	81.87	9.31
Total current tax liabilities	87.96	81.87	9.31

(d) Deferred tax (liabilities) / assets

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Fair valuation of Mutual funds	-	-	(0.05)
Excess of depreciation/amortisation on property plant and equipment under income tax act	4.28	2.70	1.08
Gratuity provision	2.36	1.68	1.58
Leave encashment	1.42	0.86	0.82
Bonus	-	0.11	-
MAT Credit	29.96	0	0
Net deferred tax (liability)/asset	38.02	5.35	3.43

(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before tax	755.61	398.06
Tax rate	34.94%	29.12%
Tax as per IT Act on above	264.04	115.92
Tax expenses (P&L)		
(i) Current tax	(132.02)	(104.65)
(ii) Deferred tax	2.59	2.17
(iii) MAT Credit	29.96	-
	(99.47)	(102.48)
Tax expenses (OCI)	0.11	(0.24)
Difference (C)	164.68	13.20
Tax reconciliation		
Adjustments:		
Effect of exemptions and deductions	(163.72)	(12.68)
Others	(0.96)	(0.52)
	-	-

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
(All amounts in Millions, unless otherwise stated)

33 Earnings Per Share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profits attributable to equity shareholders		
Profit for the year	656.14	295.58
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year (Refer Note below)	7,13,80,274	7,00,00,000
Basic EPS (Rs.)	9.19	4.22
Diluted Earnings Per Share		
Profit for the year	656.14	295.58
Weighted average number of equity shares outstanding during the year (Refer Note below)	7,13,80,274	7,00,00,000
Diluted EPS (Rs.)	9.19	4.22

Weighted average number of equity shares for Basic and Diluted Earnings Per Share	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the period of Rs. 2 each (Rs 10 each for Previous year)	35,00,000	35,00,000
Issued during the period	3,70,000	-
Total	38,70,000	35,00,000
Adjustment for subdivision of shares (Refer note 3 Share Capital Note)	1,93,50,000	1,75,00,000
Bonus Issue of shares during the year (Refer note 5 Share Capital Note)	5,80,50,000	5,25,00,000
	7,74,00,000	7,00,00,000
Weighted average number of equity shares outstanding during the period	7,13,80,274	7,00,00,000

* Number of shares is presented as absolute number.

34 Contingent liabilities, contingent assets and commitments :

(a) Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Bank guarantees	4,807.93	4,104.73	2,284.09

(b) Commitments

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-
	-	-	-

35 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Principal amount remaining unpaid to any supplier as at the end of the period/year			
Trade payables	452.63	9.96	2.39
Capital creditors	-	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the period/year			
Trade payables	-	-	-
Capital creditors	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

DCX Systems Limited (formerly known as DCX CABLE ASSEMBLIES PRIVATE LIMITED)

Significant accounting policies and notes to the standalone financial information (continued)

(All amounts in Millions, unless otherwise stated)

36 Related Party Disclosures

(a) List of Related Parties and description of relationship:

1	Mr .H S Raghavendra Rao	Chairman & Managing Director
2	Mr.R.Sankarakrishnan	Whole Time Director
3	Mr. Anand S	Director
5	M/S VNG Technology Private Limited	Associate Company
6	M/S NCBG Holdings Inc	Associate Company
7	M/S DCX Chol Enterprises Inc	Common Directorship
8	M/S RNSE-TRONICS Pvt Ltd.,	Relative of the Director is one of the shareholder /member
9	M/S Raneal Technologies Pvt Ltd.,	Associate Company
9	M/S Raneal Advanced Systems Pvt Ltd.,	Wholly Owned Subsidiary

(b)

Sl.No.	Related parties	Nature of transactions	As on 31 March 2022	As on 31 March 2021
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Purchase

1	M/S DCX Chol Enterprises Inc	Import of varieties of connectors, wires, sleeves, back shells required cable and wire harness	35.58	4.75
2	M/S RNSE-TRONICS Pvt Ltd	Purchases of Electronic components	2,783.82	3,293.45
3	M/S Vinyas Innovative Technologies Pvt Ltd	Purchases of Printed circuit board assemblies	-	967.72

Sales

4	M/S DCX Chol Enterprises Inc	Export of Cable and wire harness assemblies	0.01	11.94
5	M/S Vinyas Innovative Technologies Pvt Ltd	Sale of cable and wire harness	-	0.91

Expenditure

6	Mr. H.S. Raghavendra Rao	Salary	29.20	8.88
7	Mr. Anand S	Salary	1.73	-
8	Mr.R.Sankarakrishnan	Professional Fee	1.25	-
9	Mr.R.Sankarakrishnan	Salary	0.53	-
10	Ravi Kumar E	Salary	-	3.60
11	K R Premkumar	Salary	-	3.81
12	M/S DCX Chol Enterprises Inc	Reimbursement of expenses	1.70	1.71
TOTAL			2,853.82	4,296.77

Payable

15	DCX Chol Enterprises Inc	Payable	1.53	1.60
16	RNSE-TRONICS PVT.LTD	Payable	419.85	204.20
17	Vinyas Innovative Technologies Pvt Ltd	Payable	-	240.34
18	Sankarakrishnan R	Payable Salary	0.16	-
19	Mr .H S Raghavendra Rao	Payable Salary	0.67	1.11
20	Anand S	Payable Salary	0.12	-
21	Ravi Kumar E	Payable Salary	-	0.20
22	K R Premkumar	Payable Salary	-	-

37 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

- (i) The company has not made any provision on expected credit loss on trade receivables and other financial assets, based on the management estimates.
- (ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Total current assets (A)	9,236.93	7,766.83	6,812.32
Total current liabilities (B)	7,885.40	7,455.63	6,808.56
Working capital (A-B)	1,351.54	311.20	3.76
Current Ratio:	1.17	1.04	1.00

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at 31 March 2022			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1	Total
Borrowings	5,026.20	4,671.80	354.40	5,026.20
Trade payables	965.13	965.13	-	965.13
Other liabilities	6.91	6.91	-	6.91

	As at 31 March 2021			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	1,363.79	1,363.79	-	1,363.79
Trade payables	1,297.99	1,297.99	-	1,297.99
Other liabilities	165.14	165.14	-	165.14

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
 Significant accounting policies and notes to the standalone financial information (continued)
 (All amounts in Millions, unless otherwise stated)

	As at 01 April 2020			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	1,339.77	1,339.77	-	1,339.77
Trade payables	1,506.99	1,506.99	-	1,506.99
Other liabilities	6.01	6.01	-	6.01

(c) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(1) Foreign currency risk :

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated

Following is outstanding foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31 March 2022		As at 31 March 2021		As at 01 April 2020	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD						
Trade receivables						
USD	9.03	684.24	1.67	122.27	11.02	830.59
Euro	-	-	-	-	-	-
Advance to suppliers						
USD	2.11	159.87	1.04	76.54	12.59	949.15
Euro	0.01	0.45	-	-	-	-
GBP	0.00	0.32	-	-	-	-
Balance with banks - in EEFC accounts	19.38	1,468.83	9.93	728.97	5.37	404.61
	30.52	2,313.71	12.64	927.78	28.98	2,184.35

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(ii) Financial liabilities

Financial liabilities	As at 31 March 2022		As at 31 March 2021		As at 01 April 2020	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD						
Trade payable						
USD	12.31	932.78	17.67	1,276.63	19.76	1,489.54
Euro	0.15	12.77	-	-	-	-
Packing credit in foreign currency	61.63	4,671.80	18.38	1,352.11	17.77	1,339.47
Advance from customer	27.95	2,118.96	61.15	4,494.68	51.74	3,900.58
	102.04	7,736.31	97.20	7,123.42	89.27	6,729.59

(iii) Currency wise net exposure (Financial assets - Financial liabilities)

Currency wise net exposure (assets - liabilities)	As at 31 March 2022		As at 31 March 2021		As at 01 April 2020	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD	(71.38)	(5,410.60)	(84.56)	(6,195.64)	(60.29)	(4,545.24)
EUR	(0.15)	(12.32)	-	-	-	-
GBP	0.00	0.32	-	-	-	-
Total	(71.52)	(5,422.60)	(84.56)	(6,195.64)	(60.29)	(4,545.24)

(iv) Sensitivity analysis

	Impact on profit/equity (1% strengthening)			Impact on profit/equity (1% weakening)		
	As at	As at	As at	As at	As at	As at
	31 March 2022	31 March 2021	01 April 2020	31 March	31 March	01 April 2020
USD	(54.11)	(61.96)	(45.45)	54.11	61.96	45.45
EUR	(0.12)	-	-	0.12	-	-
GBP	0.00	-	-	(0.00)	-	-
Total	(54.23)	(61.96)	(45.45)	54.23	61.96	45.45

(2) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection appropriate type of borrowings and by negotiation with the

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Variable rate borrowings	5,026.20	1,363.79	1,339.77
Fixed rate borrowings	-	-	-
Total borrowings	5,026.20	1,363.79	1,339.77

Sensitivity analysis

Impact on profit before tax /pre- tax equity :

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Increase by 50 basis points	(25.13)	(6.82)	(6.70)
Decrease by 50 basis points	25.13	6.82	6.70

38 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders,
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Total liabilities	8,250.18	7,463.92	6,816.77
Less: cash and cash equivalents and bank balances	8,002.23	5,493.33	4,166.24
Net debt	247.95	1,970.60	2,650.53
Total equity	1,175.97	467.86	171.70
Debt-equity ratio	0.21	4.21	15.44

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39 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at 31 March 2022		As at 31 March 2021		As at 01 April 2020		
	Carrying amount	Fair values	Carrying amount	Fair values	Carrying amount	Fair values	
		Amortised cost		Amortised cost		FVTPL	Amortised cost
Category		Level 2		Level 2		Level 1	Level 2
Financial assets							
Investments	-	-	-	-	1.19	1.19	-
Trade receivables	694.94	694.94	123.14	123.14	879.71	-	879.71
Cash and cash equivalents	1,883.79	1,883.79	858.83	858.83	564.07	-	564.07
Other bank balances	6,118.44	6,118.44	4,634.50	4,634.50	3,602.17	-	3,602.17
Other financial assets	53.86	53.86	33.65	33.65	36.80	-	36.80
Total financial assets	8,751.03	8,751.03	5,650.11	5,650.11	5,083.94	1.19	5,082.75
Financial liabilities							
Borrowings	4,671.80	4,671.80	1,363.79	1,363.79	1,339.77	-	1,339.77
Trade payables	965.13	965.13	1,297.99	1,297.99	1,506.99	-	1,506.99
Lease liabilities	354.40	354.40	-	-	-	-	-
Other financial liabilities	6.91	6.91	165.14	165.14	6.01	-	6.01
Total financial liabilities	5,998.24	5,998.24	2,826.92	2,826.92	2,852.77	-	2,852.77

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in mutual funds which are designated at fair value through profit and loss (FVTPL).

40 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under":

(i) Defined contribution plan - Provident fund and other funds

The company has recognized following amounts in the profit & loss account for the year/ period:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Provident fund		
Employer's Contribution	3.47	2.63
Administration charges	0.23	0.18
Employer's Contribution to ESI (Employee State Insurance)	0.30	0.22
	4.00	3.03

(ii) Defined benefit plan

1) The defined benefit plan comprises gratuity, which is funded.

2) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2022	As at 31 March 2021
Present Value of Benefit Obligation at the Beginning of the Period	5.76	5.67
Interest cost	0.39	0.38
Current service cost	1.02	0.80
Benefits paid	(0.74)	(0.28)
Actuarial (Gains)/Losses on Obligations	-	-
- Due to Change in Financial Assumptions	0.94	-
- Due to Change in Demographic Assumptions	-	-
- Due to Experience	(0.61)	(0.81)
Present value of obligation at the end of the period / year	6.76	5.76

Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the period / year		-
Interest income		-
Contributions	0.74	0.28
Mortality charges and taxes		-
Benefits paid	(0.74)	(0.28)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)		-
Fair value of Plan assets at end of the period / year	-	-

Net interest cost for current period

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Cost	0.39	0.38
Interest Income	-	-
Net Interest Cost for Current Period	0.39	0.38

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	1.02	0.80
Net interest (Income)/ Expense	0.39	0.38
Net benefit expense	1.41	1.18

Amount recognised in the statement of other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Re-measurement for the year - obligation (gain) / loss	(0.32)	0.82
Re-measurement for the year - plan assets (gain) / loss	-	-
Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income	(0.32)	0.82

Net Defined Benefit Liability/(Asset) for the period / year

Particulars	As at 31 March 2022	As at 31 March 2021
Defined Benefit Obligation	6.76	5.76
Fair value of plan assets	-	-
Closing net defined benefit liability/(asset)	6.76	5.76

Particulars	As at 31 March 2022	As at 31 March 2021
Current	0.27	0.28
Non-Current	6.49	5.48

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Assumptions

Particulars	As at 31 March 2022	As at 31 March 2021
	%	%
Mortality table	100% of IALM 2012-14	Mortality (2006-08)
Discount rate	7.28%	6.81%
Rate of increase in compensation levels	10.00%	8.00%
Withdrawal rate #		
Age up to 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:

Assumptions	Defined benefit obligation	
	As at 31 March 2022	
	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(0.79)	0.97
Delta effect of 1% change in rate of salary increase	0.77	(0.67)
Delta effect of 1% change in rate of employee turnover	(0.18)	0.21

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Assumptions	Defined benefit obligation	
	As at 31 March 2021	
	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(0.61)	0.74
Delta effect of 1% change in rate of salary increase	0.57	(0.52)
Delta effect of 1% change in rate of employee turnover	(0.05)	0.06

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Duration of defined benefit payments	31 March 2022	31 March 2021
1st Following Year	0.27	0.28
2nd Following Year	0.29	0.29
3rd Following Year	0.29	0.30
4th Following Year	0.32	0.30
5th Following Year	0.33	0.31
After 5th Year	21.69	14.60

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Note 41: Revenue from contracts with customers

(a) Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	As at 31 March 2022	For the year ended 31 March 2021
Gross Sales (Contracted Price)	10,997.82	6,394.12
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	(3.70)	(10.80)
Revenue recognised	10,994.12	6,383.32

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

Sr.No	Item description
1	Transmission receiver group modules, Missile switching units, Power supplies, filters, transmitter modules, receiver modules
2	Cable & Wire harness assemblies
3	Electronic & Electro mechanical components

(b) Recognition of revenue as per IND AS 115

Particulars	As at 31 March 2022	For the year ended 31 March 2021
Revenue recognised at point in time	10,976.66	6,378.72
Revenue recognised over the period	17.46	4.60
Total	10,994.12	6,383.32

(c) Revenue from products:

Country / Region	As at 31 March 2022	For the year ended 31 March 2021
Exports	6,116.94	3,801.16
Deemed Exports	4,844.46	2,574.72
Domestic	15.26	2.84
Total revenue	10,976.66	6,378.72

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
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42 : Explanation of transition to Ind AS

These are Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Companies (Indian Accounting Standards) Rules, 2015. In preparing the financial statements for the year ended 31st March, 2021 and balance sheet as at 1st April, 2020 (date of transition), the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2020 and the financial statements for the year ended 31st March, 2021.

As per Ind AS, upon transition the Company is required to present comparative information for all the statements presented and explain the transition effects from previous GAAP to Ind AS in its first Ind AS financial statement.

A. Exemptions availed

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has elected to apply the following exemptions:

1. Deemed cost : Property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

2. Designation of previously recognised financial instruments

Financial assets and financial liabilities are classified at fair value based on facts and circumstances as at the date of transition to Ind AS. Financial assets and liabilities are recognised at fair value as at the date of transition to Ind AS i.e. 1 April 2020 and not from the date of initial recognition.

3. Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

B. Exceptions applied

1. Estimates

The estimates at 1 April 2020 being the transition date and at 31 March 2022 are consistent with those made for the same dates in accordance with Indian GAAP. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1 April 2020, the date of transition to Ind AS and as of 31 March 2022.

2. Derecognition of financial assets and liabilities

Ind AS 101, requires first-time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109, retrospectively from a date of the company's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transaction was obtained at the time of initial accounting of transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from date of transition to Ind AS.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets, on the basis of the facts and circumstances that exist at the transition date to Ind AS.

C. Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-

- i) Reconciliation of equity as at 1 April 2020 and 31 March 2021 ;
- ii) Reconciliation of total comprehensive income for the year ended 31 March 2021 ;

There are no material adjustments to the cash flow statements.

D. Statement of reconciliation of total equity and profit and loss as per previous GAAP and Ind AS

Reconciliation of total equity as at 31 March 2021, 1 April 2020 :

Particulars	Note	31 March 2021	01 April 2020
Equity as per Indian GAAP		490.40	169.41
Adjustments to retained earnings			
Fair valuation of Mutual funds - FVTPL	a	-	0.19
Deferred tax impact	c		2.10
Current tax impact	d	(22.54)	-
Total of Ind AS adjustment to retained earnings		(22.54)	2.29
Equity as per Ind AS		467.86	171.70

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Reconciliation of total comprehensive income for the year ended 31 March 2021 :

Particulars	Note	31 March 2021
Net profit as per Indian GAAP		320.99
Adjustments to net profit		
Fair valuation of Mutual funds - FVTPL	a	(0.19)
Actuarial gain/(Loss)	b	(0.58)
Deferred tax impact	c	(2.10)
Current tax impact	d	(22.54)
Total of Ind AS adjustments to net profit		(25.41)
Net Profit as per Ind AS		295.58
Adjustments to other comprehensive income		
Actuarial gains and losses net off tax	b	0.82
Deferred tax impact on actuarial gain/(loss)	c	(0.24)
Total of Ind AS adjustments to other comprehensive income		0.58
Total comprehensive income as per Ind AS		296.16

Notes to the reconciliations:

a) Investment in mutual funds

Under Indian GAAP, long-term investments are valued at cost less provision for other than temporary diminution in the value of such investments. Under Ind AS, investment in mutual funds are classified as 'Fair value through profit and loss' are measured at fair value at each reporting date. The subsequent changes in the fair value of such investments are recognised in statement of profit and loss.

b) Employee benefit expenses - actuarial gains and losses and return on plan assets

Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.

c) Income tax

Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Further under Ind AS, income tax is recognised in the same statement in which underlying item is recorded.

d) Prior period adjustments

Under Indian GAAP, prior period items are included in determination of profit or loss of the period in which the item is discovered and are separately disclosed in the statement of profit and loss. Under Ind AS, material prior period items are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented by restating the opening balance sheet.

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43 Ratios as per the Schedule III requirements

(a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current Assets	9,236.93	7,766.83
Current Liabilities	7,885.40	7,455.63
Ratio (Times)	1.17	1.04
% Change from previous period / year	12.45%	

(b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Total Debt	5,026.20	1,363.79
Total Equity	1,175.97	467.86
Ratio (Times)	4.27	2.91
% Change from previous period / year	-46.63%	

Due to increase in sales the requirement of working capital has increased proportionately

(c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Particulars	As at 31 March 2022	As at 31 March 2021
Profit for the year	656.14	
Add: Non cash operating expenses and finance cost		
Depreciation and amortisation expense	21.75	
Finance costs	113.22	
Earnings available for debt services	791.11	
Interest cost on borrowings	72.40	
Principal repayments (including certain prepayments)	-	
Total Interest and principal repayments	72.40	
Ratio (Times)	10.93	
% Change from previous period / year		

(c) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	As at 31 March 2022	As at 31 March 2021
Profit for the year	656.14	295.58
Total Equity	1,175.97	467.86
Ratio	55.80%	63.18%
% Change from previous period / year	-11.68%	

(d) Inventory Turnover Ratio = Cost of Material Consumed plus Changes in Inventory divided by Closing Inventory

Particulars	As at 31 March 2022	As at 31 March 2021
Cost of materials consumed	10,005.85	6,184.69
Closing Inventory	272.51	2,016.76
Inventory Turnover Ratio	36.72	3.07
% Change from previous period / year	1097.32%	

When compared to the previous year, the company has converted all the inventory into sales. Hence the inventory turnover ratio has increased

(e) Trade Receivables Turnover ratio = Credit sales divided by Closing Trade Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Credit Sales	10,994.12	6,383.32
Closing Trade Receivables	694.94	123.14
Trade Receivable Turnover Ratio	15.82	51.84
Ratio (Days)	23.07	7.04
% Change from previous period / year	227.67%	

Turnover over in March 2022 was Rs. 204.87 crores, hence the ratio has reduced when compared to the previous year.

(f) Trade payables turnover ratio = Cost of Material Consumed divided by closing trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Cost of Material Consumed	9,293.43	6,604.35
Closing Trade Payables	965.13	1,297.99
Trade Payables Turnover Ratio	9.63	5.09
Ratio (Days)	37.91	71.74
% Change from previous period / year	-47.16%	

Terms of payment to suppliers for Majority of the sales is against advance. Hence the ratio has increased

- (g) **Net capital Turnover Ratio = Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities**

Particulars	As at	As at
	31 March 2022	31 March 2021
Revenue from operations	11,022.73	6,411.63
Net Working Capital	6,023.33	1,674.99
Ratio (Times)	1.83	3.83
% Change from previous period / year	-52.19%	

Requirement of working capital increased as the sales in the last quarter was Rs. 371.48 crores and the collections of those receivables was in the next quarter

- (h) **Net profit ratio = Net profit after tax divided by Revenue from operations.**

Particulars	As at	As at
	31 March 2022	31 March 2021
Profit for the year	656.14	295.58
Revenue from operations	11,022.73	6,411.63
Ratio (%)	5.95	4.61
% Change from previous period / year	29.12%	

Increase in sales has resulted in higher profits after tax for the company.

- (i) **Return on Capital employed (ROCE) = (EBIT) divided by Capital Employed**

Particulars	As at	As at
	31 March 2022	31 March 2021
Profit/(Loss) Before Tax (A)	755.61	398.06
Forex Loss (B)	168.82	-
Other Income (C)	220.61	420.79
Finance Costs* (D)	113.22	99.22
Net Income before Interest (D) = (A)+(B)- (C) +(D)	817.04	76.49
Total Assets (E)	9,426.15	7,931.78
Current Liabilities (F)	3,213.60	6,091.84
Current Investments (G)	-	-
Capital Employed (H)=(E)-(F)-(G)	6,212.55	1,839.94
Ratio (D)/(H) (%)	13.15%	4.16%
Change in basis points (bps) from previous period / year	-86.85%	

Increased capital employed has resulted in crease in ROCE when compared to previous year

DCX Systems Limited (formerly known as DCX Cable Assemblies Private Limited)
Significant accounting policies and notes to the standalone financial information (continued)
(All amounts in Millions, unless otherwise stated)

44 Operating Segment

(a) The Company is exclusively engaged in the business of manufacturing of electronic sub-systems and cable harness for both international and domestic aerospace and defence sector. These in the context of the Ind AS 108 Operating Segment, are considered to constitute one single primary segment .

The following is the transactions by the company with external customers individually contributing 10% or more of revenue from operations:

45 Corporate social responsibility

Sr. No	Particulars	As at	As at
		31 March 2022	31 March 2021
1	CSR Amount Required to be spent for the year	4.00	1.55
2	CSR Amount pending to Spend for the past year	1.52	0.52
		5.52	2.07
	Spent during the year	5.85	0.55
		(0.33)	1.52

Sr. No	Particulars	As at	As at
		31 March 2022	31 March 2021
1	JSS Mahavidyapeetha	3.00	-
2	The National Association for the Blind	0.50	-
3	People for Animals	0.50	-
4	Food Kits(Food Kits distributed to BPL families in associated with Chennarayana pattana Police station)	0.25	-
5	PM CARE COVID19	1.52	-
6	PMO National Relief Fund	0.08	-
7	National Defence Fund	-	0.55
	Total	5.85	0.55

46 Events subsequent to 31 March 2022

The company has filed Draft Red herring Prospectus (DRHP) on 5th April 2022 proposing to raise Rs 500 Crores from the General Public. As on date the company has successfully replied two queries raised by NSE and BSE. Further we have received in-principle approval for listing the equity shares from both NSE &BSE.

47 Previous year's figures have been regrouped/reclassified wherever necessary to conform current year's presentation.

For
NBS & Co.
Chartered Accountants
FRN: 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited (Formerly known as DCX Cable Assemblies Private Limited)
CIN: U31908KA2011PLC061686

Pradeep Shetty
Partner
M No: 046940
Place: Mumbai
Date: 28/06/2022
UDIN: 22046940ALVIVS1106

H S Raghavendra Rao
Chairman & Managing Director
DIN: 00379249

R Sankar Krishnan
Whole Time Director
DIN: 00078459

K S Ranga
Chief Financial Officer
Place: Bangalore
Date: 28/06/2022

Nagaraj R Dhavaskar
Company Secretary
Membership No. A53230