



NBS & CO.

Chartered Accountants

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Independent Auditor's Examination Report on the Restated Financial Information

To,

The Board of Directors

DCX SYSTEMS LIMITED

(Formerly known as DCX Cable Assemblies Private Limited)

Aerospace SEZ Sector,

Plot Nos. 29,30 and 107,

Hitech Defence and Aerospace Park,

KIADB Industrial area, Devenahalli Taluk,

Bengaluru Rural, Karnataka - 562110

Dear Sirs,

1. We, NBS & CO., Chartered Accountants (“we” or “us”) have examined the attached Restated Financial Information of DCX Systems Limited (Formerly known as DCX Cable Assemblies Private Limited, the “**Company**” or the “**Issuer**”) and its subsidiary (collectively, the “**Group**”) comprising (i) the Restated Consolidated Statement of Assets and Liabilities as at June 30, 2022 and as at March 31, 2022, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity and the Restated Cash Flow Statement for the three months ended June 30, 2022 and the year ended March 31, 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information relating to such financial period; and (ii) the Restated Standalone Statement of Assets and Liabilities as at June 30, 2021, March 31 2021, and March 31 2020, the Restated Standalone Statements of Profit and Loss (including other comprehensive income), the Restated Standalone Statement of Changes in Equity and the Restated Cash Flow Statement for the three months period ended June 30, 2021 and for the year ended March 31 2021 and March 31 2020, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred as the “**Restated Financial Information**”), as approved by the Board of Directors of the Company at their meeting held on 16 September 2022 for the purpose of inclusion in the Red Herring Prospectus (“**RHP**”) and the Prospectus (“**Prospectus**”, together with the RHP, the “**Offer Documents**”), prepared by the Company in connection with its proposed initial public offer (“**IPO**”) of equity shares prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “**Act**”), as amended (the “**Act**”);
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial

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Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India (“SEBI”), Registrar of Companies, Karnataka at Bengaluru (“RoC”), BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 1 to the Restated Financial Information. The responsibility of the Board of Directors of the Company includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Financial Information and confirm whether such Restated Financial Information comply with the requirements of the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with the Company in accordance with our engagement letter dated February 16, 2022 in connection with the proposed IPO of equity shares of the Issuer;
 - b) The Guidance Note, which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:
 - a) Audited special purpose Ind AS consolidated financial statements of the Group as at and for the three months period ended June 30, 2022 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 16, 2022.
 - b) Audited special purpose Ind AS standalone financial statements of the Company as at and for the three months period ended June 30 2021 prepared in accordance with Ind AS prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 16, 2022.
 - c) Audited Ind AS consolidated financial statements of the Group as at and for the financial year ended March 31, 2022, prepared in accordance with Ind AS prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July, 21, 2022.

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- d) Audited special purpose standalone Ind AS financial statements of the Company as at and for the financial years ended March 31, 2021 and March 31, 2020 prepared in accordance with Ind AS prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on February 11, 2022.
5. For the purpose of our report, we have relied on:
- a) Audit reports issued by us dated September 16, 2022 on the special purpose Ind AS consolidated financial statements of the Group as at and for the three months period ended June 30, 2022, as referred in paragraph 4 (a) above.
- b) Audit reports issued by us dated September 16, 2022 on the special purpose standalone Ind AS financial statements of the Company as at and for the period ended June 30 2021, as referred in Paragraph 4 (b) above.
- c) The audit report issued by us dated July 22, 2022 on Ind AS consolidated financial statements of the Group as at and for the financial year ended March 31, 2022, as referred in paragraph 4 (c) above.
- d) Audit reports issued by us dated February 15, 2022 on the Special purpose Ind AS financial statements of the Company as at and for the financial years ended March 31, 2021 and March 31, 2020 respectively, as referred in Paragraph 4 (d) above.
6. We did not audit the financial statements in respect of the subsidiary, Raneal Advanced Systems Private Limited, whose share of total equity, total assets and net profit/(loss) for the period included which were audited by Rajagopal A (“**Other Auditor**”) and whose audit reports have been furnished to us by the Group’s management and our opinion on the above aforesaid audited consolidated financial statements, in so far as it had related to the below mentioned amounts and disclosures included in respect of the subsidiary as mentioned above, is based solely on the audit report of the Other Auditor is as below:

(INR in Million)

Particulars	As at and for the year ended March 31, 2022	As at and for the three months ended June 30, 2022
Total Equity	0.93	(1.03)
Total Assets	1.00	0.05
Net Profit/(loss) for the period	0.06	(1.97)

7. The auditors’ report on the financial statements as at for the period ended March 31 2020, March 31 2021, March 31 2022, June 30 2021 and June 30 2022 includes following emphasis of matters which do not require any corrective adjustments to the Restated Financial Information:

Emphasis of Matter- March 31, 2020

Emphasis of matter paragraph has been included for year 19-20 for the spread of COVID-19, which has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lockdown, disruptions in transportation, supply chain, travel bans, social distancing and other emergency measures. The situation continues to be uncertain.

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Emphasis of Matter- March 31, 2021

Emphasis of matter paragraph has also been included for year 20-21 for the spread of COVID-19, which has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lockdown, disruptions in transportation, supply chain, travel bans, social distancing and other emergency measures. The situation continues to be uncertain.

Emphasis of Matter- March 31, 2022

Emphasis of matter paragraph has also been included for year 21-22 for the spread of COVID-19, which has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lockdown, disruptions in transportation, supply chain, travel bans, social distancing and other emergency measures. The situation continues to be uncertain.

Emphasis of Matter- June 30, 2021

Emphasis of matter paragraph has also been included for period ended June 30, 2021 for the spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lockdown, disruptions in transportation, supply chain, travel bans, social distancing and other emergency measures. The situation continues to be uncertain. However as per the management assessment no material adjustments required in the financial statements.

Emphasis of Matter- June 30, 2022

Emphasis of matter paragraph has also been included for period ended June 30, 2022 for the spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lockdown, disruptions in transportation, supply chain, travel bans, social distancing and other emergency measures. The situation continues to be uncertain. However as per the management assessment no material adjustments required in the consolidated financial statements.

8. Our opinion on the audited consolidated financial statements of the Group for the year ended March 31, 2020, 2021 and 2022 and three months ended June 30, 2021 and June 30, 2022 is not modified in respect of these matters. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and for the three months period ended June 30, 2021 and June 30 2022, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as on June 30, 2022;

- a) do not contain any qualifications that requires adjustments;
- b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Ind AS financial statements and the special purpose Ind AS financial statements mentioned in paragraph 4 above.

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10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with the SEBI, the BSE and the NSE in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For NBS & CO.

Chartered Accountants

Firm Reg No: 110100W

Pradeep Shetty

Partner

Mem No.: 046940

UDIN:22046940ATFRPA5750

Place: Mumbai

Date: 16th September, 2022