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Overview

About DCX Systems Limited

Established in 2011, DCX Systems Limited has emerged as a key enabler of India's defence and aerospace manufacturing ambitions. Known for its excellence in manufacturing electronic systems, cable and wire harness assemblies, and printed circuit board assemblies (PCBAs), DCX plays a vital role in supporting both domestic and international defence and aerospace programs.

Operating from a strategically located facility in the Hi-Tech Defence and Aerospace Park SEZ, Bengaluru, DCX is equipped with state-of-the-art facility to deliver high-mix, high-complexity products with precision and speed. This includes a dedicated EMS facility, operated under its wholly owned subsidiary Raneal Advanced Systems, which focuses on vertically integrated manufacturing for both captive needs and external markets.

DCX's unique business model integrates end-to-end EMS solutions, with a strong emphasis on Make-in-India initiatives, and partners with global OEMs while expanding into new geographies. As the preferred Indian partner of Israel Aerospace Industries (IAI) and a recognised offset partner, DCX is deepening its global relevance while strengthening India's self-reliance in defence.

Vision, Mission, and Values

DCX envisions becoming a professionally managed Indian multinational delivering globally benchmarked electronic manufacturing solutions. With a focus on quality, innovation, and customer satisfaction, the company aims to set new standards in the defence and aerospace industries.

DCX's mission is built on four strategic pillars. First, it aims to be a one-stop turnkey solution provider for Indian and foreign defence stakeholders. Second, it seeks to transition from offset support to direct supply of systems and sub-systems. Third, it is investing in post-warranty MRO services to ensure sustainability. Lastly, DCX is committed to partnering with the Indian Government's 'Aatmanirbhar Bharat' vision.

Mission Highlights

Deliver turnkey electronic & electromechanical products to global defence & Aerospace clients

Evolve from offset-based support to core manufacturing and systems supply

Establish a robust MRO service infrastructure

Partner with Indian government initiatives for self-reliance

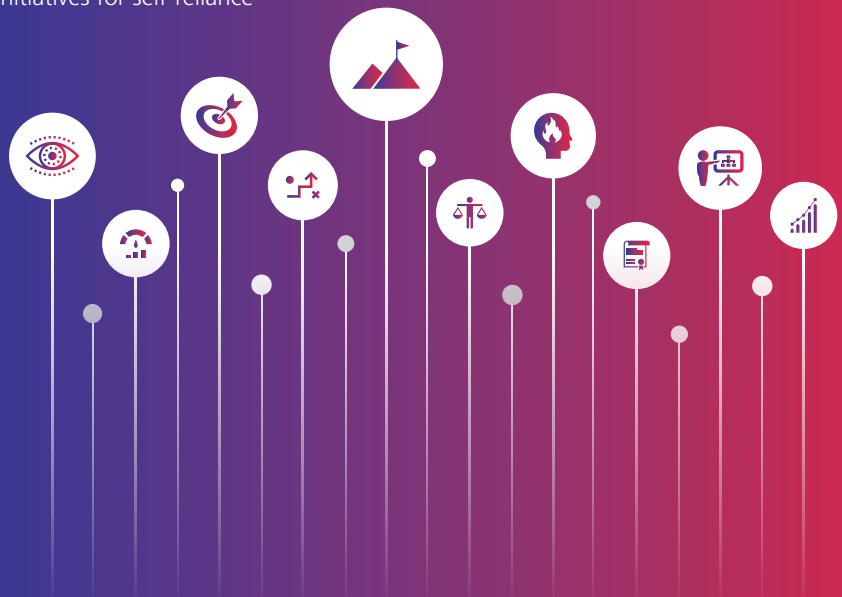
Core Values

Speed in decision-making and customer response

Commitment to excellence and adaptability

Focus on teamwork and skill development

Integrity and fairness in all operations



What Sets DCX Apart

Strategic Partnerships with Global OEMs

Strong collaboration with Israeli defence major IAI and other prominent international players.

Global and Domestic Reach

A balanced mix of customers across Israel, the United States, South Korea, and India, with growing export momentum.

Committed to Nation-Building

Actively contributing to Make-in-India and defence indigenisation programs, creating high-value manufacturing jobs and capabilities.

Backward Integration through Raneal

In-house EMS capability with PCBA backward integration, supporting both captive consumption and open-market supply.

Infrastructure Built for Scale and Speed

Two expansive manufacturing units within the SEZ, providing proximity to key clients and seamless logistics.

Integrated EMS Capabilities

Comprehensive solutions spanning electronic systems of RF applications, cable & wire harnesses, PCB assembly, and system integration tailored for aerospace and defence.

Quality and Compliance

Certified for AS9100, ISO9001 and IPC, quality is at its core to ensure reliability of the products. Having Defence Industrial License for manufacturing classified and secret programs complying to all the security guidelines of the MOD.

Message from the Chairman & Managing Director



Dr. H.S. Raghavendra Rao
Founder, Chairman & Managing Director

Looking ahead, we are methodically repositioning DCX Systems from being a service executor to a product enabler. We are steadily increasing the share of non-offset orders, which now contribute close to 40% of our portfolio, compared to 15% a few years ago.

Dear Shareholders,

The financial year 2024–25 was a defining one for DCX Systems Limited (DCX). It was a period marked by strategic milestones, operational recalibration, and continued stakeholder engagement. The financial performance reflected a maturing organisation laying the groundwork for sustainable growth. I am writing this letter with complete transparency and deep conviction about the strategic direction we are taking as we transition from a build-to-print service provider to a more product-centric, technology-driven enterprise.

Our consolidated revenue for the year stood at ₹1,083.67 crore, down from ₹1,423.58 crore in FY24. The EBIT for the year was ₹71.27 crore, while the profit after tax was ₹38.88 crore. It is worth noting that operational cash flow improved significantly from ₹0.7 crore in FY24 to ₹443.5 crore in FY25, underscoring our tight control over working capital and the high

quality of our execution. Further, DCX has become debt free from Dec-2024.

During the year, we achieved several notable business developments that underscore the company's strategic direction. We received two significant orders from Lockheed Martin Global Inc., worth ₹840 crore, a significant order of ₹1,250 crore from Larsen & Toubro Limited, and a significant order of ₹483 crore from Elta Systems, Israel, for the manufacture and supply of Close-In Weapon System (CIWS) module assemblies. We also secured additional orders from both international and domestic clients valued at over ₹500 crore. These wins underscore our growing reputation as a reliable and quality-focused defence manufacturing partner. As of March 31, 2025, our order book stood at ₹2,855 crore, reflecting not only business continuity but also long-term visibility and a strong foundation for revenue momentum over the next 24 months.

Beyond orders, we undertook bold strategic steps that will reshape our future. We formalised a joint venture with Elta Systems, Israel, to manufacture radar systems for airborne and land-based applications, including maritime and fire control radars.

This venture is expected to become operational within the next 11 months. Additionally, our subsidiary NIART Systems made substantial progress on its indigenous radar-based obstacle detection solution for the Indian Railways. Product trials, including final fog condition testing, are underway, and initial customer feedback has been encouraging. We are hopeful that this homegrown solution will address both domestic safety requirements and overseas demand for precision rail navigation technologies.

Our subsidiary, Raneal Advanced Systems, also took significant strides forward. It recorded external revenues of approximately ₹350–₹380 crore and received a Defence Industrial License to manufacture a Category A, top-secret projects. Its role in our backwards integration strategy is pivotal. By anchoring PCBA requirements internally, Raneal enables cost optimisation, greater supply chain control, and operational agility. Along with DCX, Raneal has also established a new Domestic Tariff Area (DTA) unit to service increasing local demand—a move that complements our SEZ-based export manufacturing.

Looking ahead, we are methodically repositioning DCX Systems from being a service executor to a product enabler. We are steadily increasing the share of non-offset orders, which now contribute close to 40% of our portfolio, compared to 15% a few years ago. This shift diversifies our customer base, improves pricing flexibility, and enhances margins. Our investments in in-house product development, through ventures like

NIART and the Elta JV, aim to establish DCX as a credible player in product design and systems engineering. We are actively engaging in transfer-of-technology arrangements with global OEMs to accelerate our journey and reduce R&D costs.

Furthermore, we see a robust opportunity in the aerospace and railways sectors. India's emphasis on indigenisation, combined with substantial defence budgets and a clear Atmanirbhar Bharat framework, aligns well with our long-term goals. The introduction of the RoDTEP scheme for SEZs from June 2025 is also expected to provide a meaningful boost to our profitability going forward.

In closing, I want to express my sincere gratitude to our employees, customers, suppliers, bankers, investors and all the other partners for their trust and perseverance. FY25 was a year of consolidation and strategic recalibration. It demanded resolve, but it also affirmed the promise of the future we are building. The path ahead is clear—we are focused on execution, transparency, and transformation.

Thank you for your continued confidence in DCX Systems Limited.

Warm regards,

Dr. H.S. Raghavendra Rao
Chairman & Managing Director

Profit After Tax

₹ **38.88** crore

EBIT

₹ **71.27** crore

International and Domestic Clients Valued

₹ **500** crore

Order Book

₹ **2,855** crore

Strategic Milestones



2011-12

Incorporated as private company; Fulfilled initial deemed export order

Operational

2013

Completed inaugural deemed export order; Awarded AS-9100:2016 & ISO 9001:2015 certification by DQS Inc.

Compliance / Certification

2015

Granted industrial license by Department of Industrial Policy & Promotion to manufacture microwave & electronic components, assembly & testing

Regulatory / Technological

2018

Granted authorization to export Munitions List items to IAI Elta System, Israel; Signed lease for 6,070 sq.m. land in Aerospace SEZ

Strategic / Regulatory

2020

Commissioned new manufacturing facility at Hi-Tech Defence & Aerospace Park SEZ, Bengaluru

Infrastructure / Technological

2022-23

Raneal Advanced Systems incorporated for EMS integration; Listed on BSE & NSE raising 400 cr via IPO; Started production at Raneal; Incorporated NIART Systems Ltd for railway obstacle detection; Four Star Export House certificate

Financial / Strategic / Operational

2023-24

Completed QIP, raised 500 cr; Expanded customer base (Lockheed Martin, Ametek, etc.); Bagged multi-million dollar contracts

Financial / Customer Expansion

2024-25

Signed JV agreement with ELTA Systems for radar systems (airborne & land applications)

Strategic / Technological

DCX Infrastructure and Facilities

Systems and
Subsystems
Integration
unit



Raneal
Advanced
Systems Private
Limited –
Circuit card
assembly unit
(EMS)

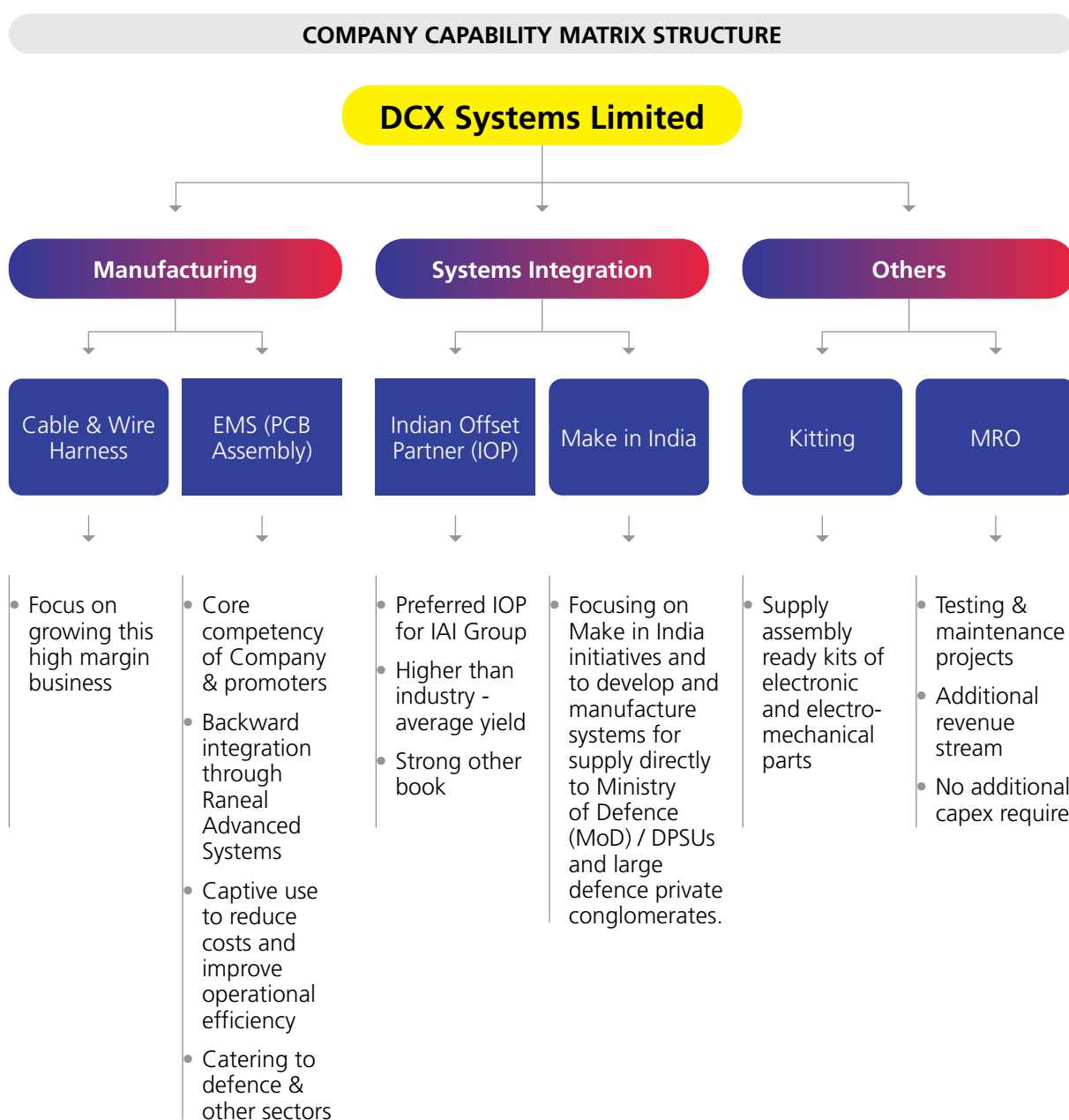
100% wholly owned
subsidiary of DCX



Our Business Model

Integrated and diversified business structure

DCX Systems Limited operates through a vertically integrated and strategically diversified business model designed to serve the complex demands of the global aerospace and defence ecosystem. At the heart of this model are three interconnected pillars—Manufacturing, System Integration, and Others. Together, they enable DCX to deliver comprehensive, end-to-end solutions while maintaining operational flexibility and capital efficiency. This structure aligns with the company's vision of evolving into a product-driven, technology-enabled enterprise that supports a wide range of applications across defence, medical, and civilian domains.



Manufacturing

DCX's manufacturing strength lies in its integrated approach to electronics and systems manufacturing, backed by advanced infrastructure, in-house PCBA capability, and a strong focus on high-margin cable and harness assemblies. This enables greater quality control, operational efficiency, and product diversity across defence and civilian markets.



Raneal Advanced Systems - Backward Integration into EMS

DCX has strategically backward integrated into Electronics Manufacturing Services, adding horizontal PCBA capabilities through its subsidiary Raneal Advanced Systems. This move empowers DCX to control the value chain, improve profitability, and serve a broader market base.

- Horizontal integration with PCBA
- Investment in Raneal Advanced Systems to expand PCBA business
- Supplies both captive requirements and external demand beyond defence & aerospace

Benefits

- Enhanced cost control and margin improvement
- Optimal utilization of working capital
- Better supply chain control and agility

Potential Applications

- Defence systems and aerospace subsystems
- Civilian use cases – medical devices, Railway and high-end industrial electronics

Cables & Wire Harness

As part of its high-value manufacturing strategy, DCX focuses on designing and developing complex wire harnesses used in critical systems. This product line not only offers superior margins but also aligns well with the company's expertise in surveillance, radar, electronic warfare and communication systems.

- In-house design & development of complex cable and wire harness assemblies
- Serving surveillance, radar, electronic warfare, communication and mission critical systems
- Diverse portfolio includes RF cables, coaxial, mixed signal, power, and data cables
- Strategic focus on expanding this margin-accretive business
- Exploring inorganic opportunities for growth and scalability

System Integration through global collaboration

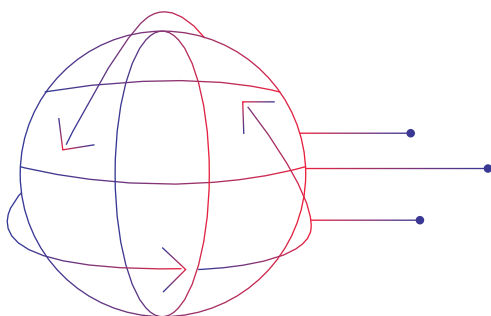
DCX's System Integration vertical is built on deep relationships with global defence OEMs—especially in Israel and the United States. The company offers end-to-end system-level assembly capabilities, encompassing both offset (IOP) and regular non-offset (Non-IOP) programs. With in-house testing, high-yield execution, and the ability to deliver fully integrated solutions, DCX is positioned as a trusted partner for advanced defence platforms including radar, missile, surveillance, electronic warfare and communication systems.

This dual-track focus—maintaining strength in IOP contracts while scaling Non-IOP engagements—enhances revenue visibility, expands market reach, and improves margin profile. It also reinforces DCX's evolution from a component manufacturer to a turnkey systems integration player.



Key Highlights:

- Offers electronics and electro-mechanical system integration services
- In-house capabilities for vibration and environmental stress testing of complex RF products
- Applications in radar, missile launch, surveillance, electronic warfare, mission critical and secure communication systems
- Preferred Indian Offset Partner (IOP) for global defence OEMs on classified programs
- Expanding focus on Non-IOP projects to reduce offset dependency and improve margins
- International quality compliance and better-than-industry yield performance
- Strategic penetration into new global geographies
- Share of non-offset projects increased from ~15% to ~40%, strengthening business model resilience
- High standards in execution, cost competitiveness, and ethical practices



Other Business Verticals

DCX is leveraging its core infrastructure and operational expertise to unlock new revenue streams through adjacent service offerings. These verticals—Maintenance, Repair, and Overhaul (MRO) and Kitting—offer margin-accretive growth, improved customer stickiness, and resource optimisation, with minimal additional investment.



Maintenance, Repair & Overhaul (MRO)

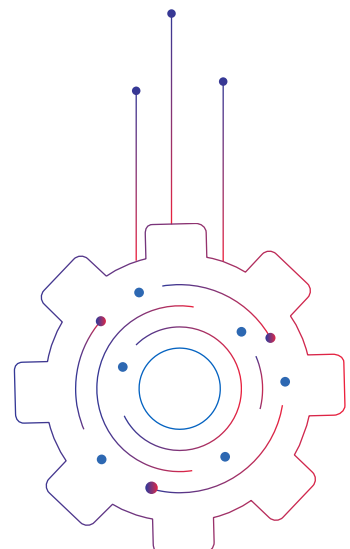
With access to in-house OEM-certified testing machinery, DCX is well-positioned to offer MRO services for electronic and electro-mechanical components, tapping into a high-potential market segment.

- Significant opportunity in defence-focused Maintenance, Repair & Overhaul
- In-house OEM testing infrastructure enables quick turnaround
- High-margin revenue stream with recurring potential
- Minimal capex required for service scale-up

Kitting Services

DCX provides pre-assembled kits of components, ready for final assembly, helping OEMs reduce procurement complexity and improve shop floor efficiency.

- Supplies assembly-ready kits of electronic and electro-mechanical parts
- Helps reduce inventory levels, storage space, and procurement overhead
- Enhances operational efficiency and minimises indirect costs for clients
- Strengthens DCX's role as a value-added supply chain partner



Technology-Enabled Advantages

Preferred Offset Partner in Defence & Aerospace

Being recognised as a preferred Indian Offset Partner is a testament to DCX's compliance, reliability, and global standards. This positions the company as a trusted collaborator in critical defence and aerospace projects across borders.

- Recognised as one of India's preferred Offset Partners
- Extensive engagement across global geographies
- Deep understanding of industry-specific compliance and certificationsservice scale-up

Diversified and De-risked Business Model

DCX has strategically built a diversified portfolio to shield against cyclicity in defence spending. Its growing share of non-offset business ensures revenue predictability and operational stability.

- Strong focus on Non-Offset orders to minimise dependency risks
- Balanced order book across defence and civilian sectors
- Resilient operations model backed by stable revenue sources

Core Strength in Electronics Manufacturing

Electronics manufacturing is the foundation of DCX's product capabilities. Its deep-rooted expertise enables the company to deliver complex, reliable, and high-performance systems that meet the rigorous demands of its clients.

- Decades of experience in precision electronic systems
- Proven capabilities across complex assemblies and sub-systems
- Expertise in delivering mission-critical solutions

Expanding Cable & Wire Harness Portfolio

The company's growing focus on high-margin products such as cable and wire harness assemblies signals a deliberate move toward value-added manufacturing. This expansion supports both profitability and market diversification.

- Focus on high-margin product lines like cable & wire harnesses
- Addressing growing demand in aviation, defence, and mobility segments
- Positioned for expansion into high-value adjacencies

Backward Integration in EMS

Backward integration allows DCX to control quality, lead time, and cost-effectiveness. By manufacturing PCBAs in-house, the company strengthens its value chain and enhances responsiveness to customer needs.

- Integrated Electronics Manufacturing Services (EMS) setup
- In-house capability for PCB assembly (PCBA)
- Tailored solutions for both defence and civilian markets

Experienced Leadership & Skilled Workforce

At the heart of DCX's manufacturing excellence lies a leadership team with domain expertise and foresight. Their vision is effectively executed by a competent and skilled workforce committed to quality and innovation.

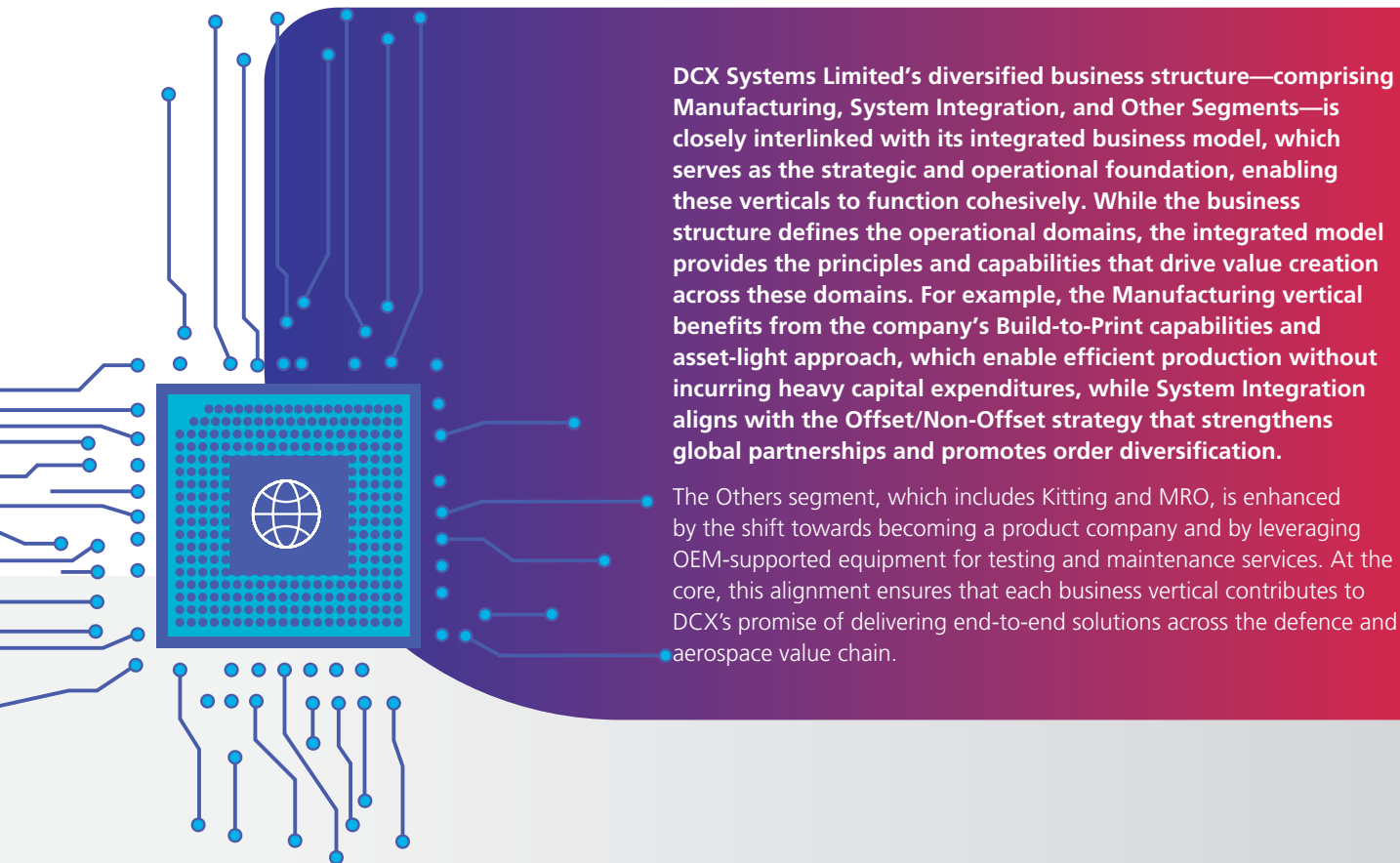
- Led by seasoned promoters and a qualified senior management team
- Supported by a highly skilled, technically competent workforce
- Focused on continuous skill development and talent retention

Advanced Manufacturing in SEZ

Strategically situated within a Special Economic Zone, DCX benefits from infrastructure and policy advantages. Its facility integrates state-of-the-art technologies that align with global manufacturing benchmarks.

- Strategically located unit within a Special Economic Zone (SEZ)
- Equipped with modern and scalable infrastructure
- Enables cost-efficient production and faster delivery

Seamless Alignment of Business Structure and Integrated Model for End-to-End Value Delivery



The six elements of the integrated model that enable this cross-functional alignment are:



Offset / Non-Offset

Leveraging long-standing global partnerships to execute both IOP and Non-IOP contracts



Strong Global Procurement

Ensuring cost efficiency and reliability through a diversified and captive-supported sourcing network



Strong Manufacturing Expertise

Delivering integrated solutions for global defence and aerospace clients



Build to Print Model

Applying deep domain knowledge to manufacture customer-specific defence electronics



Asset Light Model

Reducing capital intensity by using OEM-supplied infrastructure and equipment



Shift to Product Company

Focusing on technology transfers and Make-in-India initiatives to evolve beyond contract manufacturing. Together, these six elements form the connective tissue that binds the company's structural pillars into a unified, future-focused business model.

Review of Strategy and Performance



Strategic Foundation

Charting a Path to Long-Term Value Creation

To build sustained advantage in the evolving landscape of defence and critical electronics, DCX Systems has anchored its strategy around a series of interlinked choices. These choices articulate where the company competes, how it delivers superior value, and what it must strengthen internally to succeed. The framework below outlines seven key pillars that shape DCX's strategic direction, ranging from its core aspiration to its future priorities. Each element is grounded in deliberate decision-making tailored to the company's industry dynamics, capabilities, and long-term goals. This holistic approach ensures that DCX not only responds to today's opportunities but also positions itself to shape the future of indigenised, high-reliability electronic systems.



VA winning aspiration defines the company's purpose—what it ultimately seeks to accomplish beyond profit. For DCX, this means playing a critical role in shaping India's defence electronics ecosystem by becoming a preferred manufacturing and integration partner for high-reliability electronic systems. It reflects the company's commitment to indigenisation, technological self-reliance, and value-added partnerships with global OEMs.



How We Win

This defines the company's source of competitive advantage—how we intend to deliver unique value in its chosen arenas. For DCX, it means leveraging its integrated capabilities, OEM partnerships, and low-capex operating model to outperform the competition in terms of quality, responsiveness, and cost efficiency. It involves making conscious trade-offs, such as not owning proprietary IP but accelerating productization via ToT.



Where We Play

This defines the specific arenas in which the company chooses to compete. For DCX, it is not just about selecting geographies, but about prioritising high-impact industry segments and niche application areas where its capabilities create disproportionate value. This involves a deliberate focus on segments such as defence system integration, cable & wire harnessing, PCB assembly, radar systems and railway obstacle detection solutions.



Core Capabilities

These are the foundational strengths the company must consistently develop and deploy to win. For DCX, it means investing in technical and operational competencies that enable high-quality, compliant, and timely delivery of complex electronics, while scaling up backward integration and leveraging supplier relationships for flexibility and control.



Management Systems

These are the internal structures, processes, and cultural elements that ensure the strategy is implemented and adjusted over time. For DCX, this includes systems that support real-time quality tracking, strategic procurement, yield management, and regulatory compliance—all backed by a culture of co-ownership with customers.



Strategic Progress

This reflects how well the company has progressed toward realising its strategic aspirations through its chosen path. For DCX, recent wins in radar systems, client acquisitions, and revenue diversification are key indicators of progress, as is the commissioning of new EMS capacity and success in capital markets.



Joint Venture with ELTA Systems for Radar Technologies

DCX Systems has entered into a strategic joint venture agreement with ELTA Systems to expand its business footprint into high-technology defence electronics. This partnership focuses on the development and supply of airborne maritime radar systems, Fire Control Radar Systems, and other advanced Radar Systems for both Airborne and Land applications. This collaboration is part of the Government of India's "Make in India" initiative, reinforcing DCX's commitment to indigenized defence manufacturing and enhanced self-reliance.

Operational Expansion through New Manufacturing Unit

To support its growing operations, DCX Systems, along with its subsidiary Raneal Advanced Systems, is establishing a new manufacturing facility within the Domestic Tariff

Area (DTA). This facility is expected to commence commercial production shortly and will play a critical role in fulfilling existing and future production commitments, particularly for high-value defence projects.

Major Purchase Orders Secured

DCX received a significant Purchase Order from ELTA Systems Ltd. for the manufacture and supply of Close-In Weapon System (CIWS) Module Assemblies. This order is valued at ₹483 crore and underscores the company's ability to execute complex defence manufacturing contracts at scale.

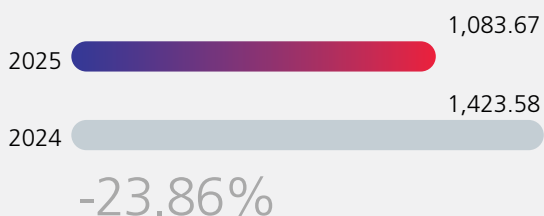
In addition, DCX secured further orders amounting to approximately ₹57 crore from a combination of overseas and domestic clients. These orders pertain to the supply of CIWS Antenna and Cable & Wire Harness Assemblies, strengthening the company's order book and reinforcing its position in the defence electronics segment.



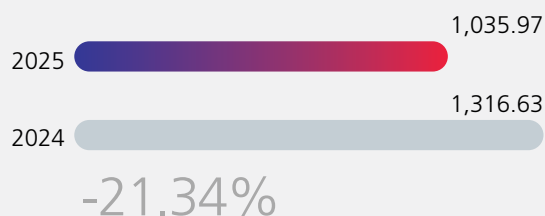
DCX Systems signed a Joint Venture Agreement with IAI ELTA Systems, Israel, on April 21, 2025, to establish a JVC in India for advanced radar systems under 'Make in India'. The ceremony, held at the State Parliament office, was graced by Hon. CM of Karnataka, Sri. Siddaramaiah, government dignitaries, and senior leadership from both companies.

Financial Highlights

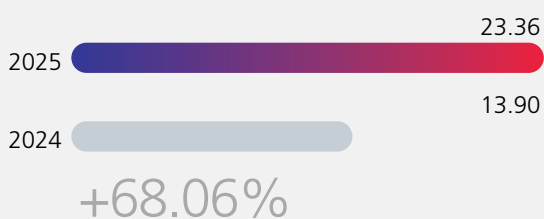
Revenue from Operations (₹Mn)



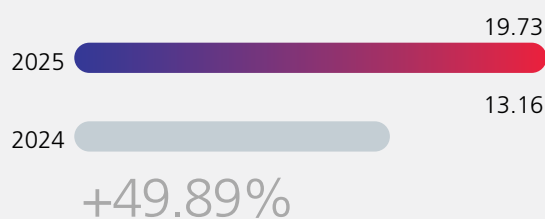
Raw Material Expenses (₹Mn)



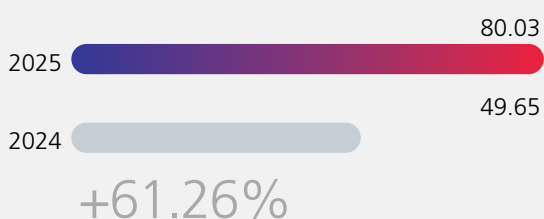
Employee Cost (₹Mn)



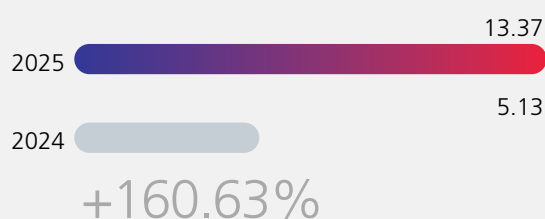
Other Operating Expenses (₹Mn)



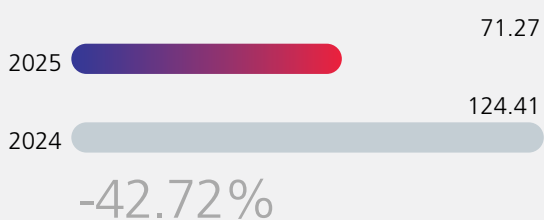
Other Income (₹Mn)



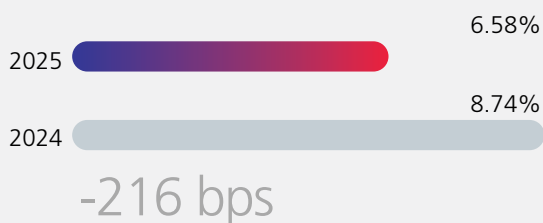
Depreciation



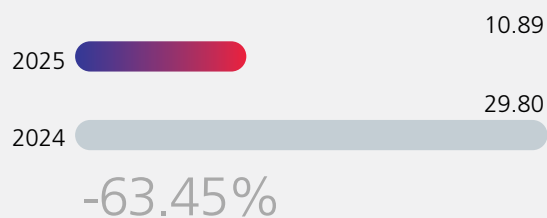
EBIT



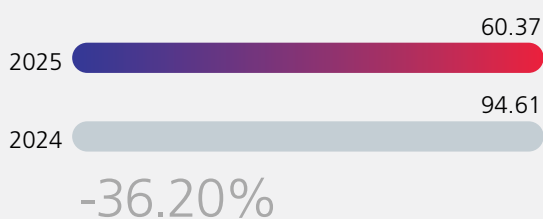
EBIT Margin (%)



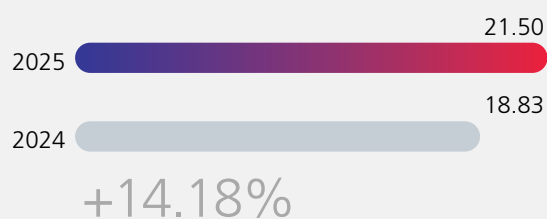
Interest



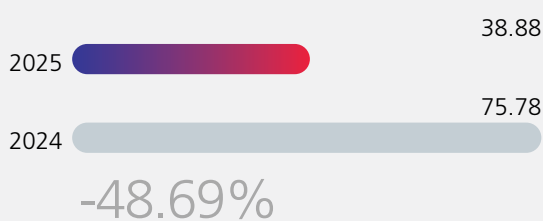
Profit Before Tax (PBT)



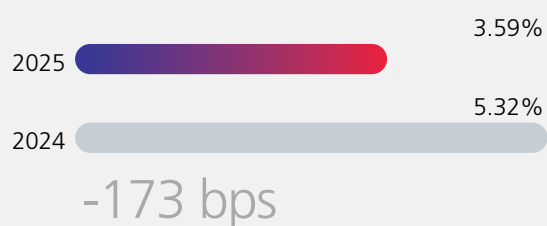
Tax



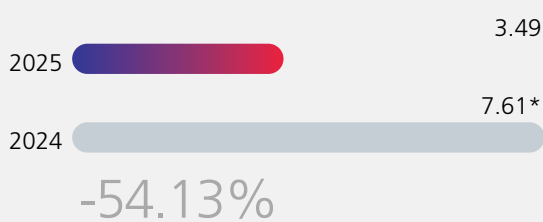
Profit After Tax (PAT)



PAT Margin (%)



Basic EPS



Key Drivers of the Business and Industry Outlook

India's push for self-reliance under the Atma Nirbhar Bharat initiative is playing a central role in transforming the defence electronics landscape. Policy support, such as the Positive Indigenisation List, Defence Acquisition Policy 2020, and Corporatisation of the Ordnance Factory Board (OFB), is acting as a significant enabler for domestic manufacturers like DCX Systems Ltd. The increasing openness to foreign direct investment (FDI) and the utilisation of Indian Offset policies are further reinforcing the commitment to localised production and capability building.

On the demand side, global and national security considerations, combined with the modernisation of armed forces, are driving unprecedented growth. Persistent geopolitical tensions and shifts in technological paradigms are prompting governments to allocate higher defence budgets, particularly for electronics and systems integration.

DCX is also benefiting from rising tailwinds in adjacent sectors. The application of EMS products in civilian sectors, such as medical devices, and increased opportunities in technology transfer for indigenous product development, provide it with a broader, future-ready platform.



Market growth outlook

Segment	Market Size (Base Year)	Market Size (Target Year)	CAGR	Time Period
Global Defence Spending	USD 2,181 bn (CY22)	USD 2,652 bn (CY27)	3.99%	CY22–CY27
Global Defence Electronics	USD 142 bn (CY22)	USD 237 bn (CY30)	6.61%	CY22–CY30
Indian Defence Electronics	USD 2,577 mn (CY22)	USD 7,204 mn (CY30)	13.71%	CY22–CY30
Indian Defence Exports	USD 200 mn (FY17)	USD 2,630 mn (FY24)	13.71%	FY17–FY24
Cable & Wire Harness (India)	USD 541.2 mn (2022)	USD 1,477.3 mn (2029)	15.4%	2022–2029
EMS Industry (India)	USD 400 mn (2019)	USD 4,510 mn (2025)	49.7%	2019–2025
MRO Industry (India)	USD 77 mn (2022)	USD 165 mn (2031)	8.8%	2022–2031

Upcoming Strategic Priorities

Accelerate non-offset and turnkey project revenue.

Expand PCBA capacity and deepen integration with Raneal

Penetrate railways and other high-reliability civilian sectors.

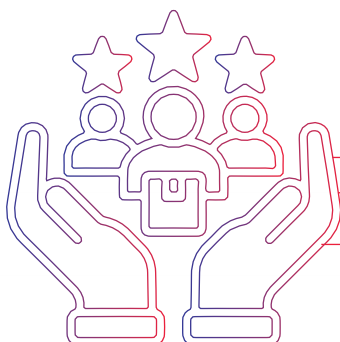
Pursue \$1 billion opportunity from global offset obligations.

Drive product development via ToT for indigenisation-linked products.

Marquee Clients

DCX Systems Limited is backed by a robust and expanding customer base comprising leading players in the global and domestic defence and aerospace ecosystem. Its clientele includes top-tier international OEMs, system integrators, and key Indian defence entities, reflecting DCX's credibility and ability to deliver complex systems and assemblies with precision. These customers engage DCX not merely as a vendor, but as a long-term technology and integration partner. The company works closely with them to enable timely execution, streamline just-in-time inventory practices, and enhance the quality of raw materials used. This close operational alignment fosters efficiency and reduces lead times across projects.

The customer relationships are further strengthened through deep technical collaboration and shared ownership of quality. Clients often provide specialised equipment to support testing and qualification of customised products, and programs are typically structured to ensure IP rights and protection from obsolescence. Additionally, DCX is reimbursed for costs incurred in maintaining buyer-furnished equipment, demonstrating a high level of trust and operational interdependence. These recurring partnerships position DCX as an integral part of mission-critical supply chains, anchoring its long-term visibility and growth in a rapidly indigenizing defence manufacturing environment.



Quality



Stringent quality assurance systems

We maintain internationally benchmarked quality systems certified to:

AS9100:2016

ISO 9001:2015

ANSI ESD 20:20-2021

IPC 610, 620, 600, J-STD

Certified IPC trainers and technicians ensure our cable harnesses, PCB assemblies, and soldering processes meet the highest industry standards.

Board of Directors



Dr. H.S. Raghavendra Rao

Founder,
Chairman & Managing Director

Dr. H.S. Raghavendra Rao, our Company's Chairman and Managing Director since January 16, 2012, drives business plans, client relationships, and admin coordination. With 34 years of experience in electronics and aerospace, he holds an honorary business management doctorate from Germany's International Peace University. He received various awards, including Young Entrepreneur, Excellence, and Business Leadership from global institutions like the Indian Economic Development Association and International Achievers Summit. He was also honoured with Mahatma Gandhi Samman and Business Leader awards. In 2021, ET Pioneers recognised his pioneering Cable Assemblies and Healthcare Products, while Dubai's International Achievers Awards and ET Ascent acknowledged his defence electronics exports and leadership.



Mr. Shivakumar R

Non-Independent and
Executive Director

Shivakumar R is the Non-Independent and Executive Director of the Company. He has been the Director of our Company since January 02, 2025. He holds a Bachelor of Engineering graduate from Sri Jayachamarajendra College of Engineering, Mysore. With a career spanning over 20 years in the field of Electronics Manufacturing Industry across the verticals including Defence & Aerospace, Medical, Industrial, Telecom and Power, successfully managed critical responsibilities to meet and exceed the goals of the organization.



Mr. Gopinath Vedaprakash

Non-Independent and Additional
Whole-Time Director

Gopinath Vedaprakash is the Non-Independent and Additional Whole-Time Director of the Company. He has been the Director of our Company since September 01, 2025. He has a bachelor's degree in Electronics Engineering with 37 years of rich experience & expertise in Business Development, Manufacturing Operations & Technical with multicultural & multinational electronics industries catering to Defence, Aerospace, Space, Industrial & Transportation verticals.

Board of Directors



**Mr. Kalyanasundaram
Chandrasekaran**
Independent Director

Kalyanasundaram Chandrasekaran is the Independent Director of our Company. He has been the Director of our Company since January 28, 2022. He is an associate of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He was previously associated with BDA Limited, Beacon Weir Limited, Ceeta Springs & Steels Limited, Associated Construction and Investment Company, LLC, Dubai Lifestyle City and Tracstar Investments Limited.



Mr. Prakash Nagabushan
Additional Independent Director

Prakash Nagabushan is the Independent Director of the Company. He has been the Director of our Company since August 01, 2024. He holds a Bachelor of Engineering (Electrical) from Bangalore University.

He has more than 31 years of experience in providing technology solutions and technical expertise in IT Infrastructure Industry. He is a Co-Founder of Towers Infotech Private Limited and has been working as a Managing Director since the last 31 years.



Mrs. Lathika Siddharth Pai
Independent Director

Lathika Siddharth Pai is the Independent Director of our Company. She has been the Director of our Company since February 2, 2022. She holds a Bachelor of Engineering (electronics) degree from Bengaluru University as well as a master's degree in science from the Rochester Institute of Technology. She has more than 16 years of experience in management consultancy and has been working with Tekinroads Consulting LLP since 2014 as a partner.



Mr. Diwakaraiah N J
Non-Independent and
Executive Director

Diwakaraiah Neriga Jagannatheshwar was the Non-Independent and Executive Director of the Company till August 31, 2025. He has been the Director of our Company since June 28, 2024. He is an associate of the Institute of Cost and Works Accountants of India and he holds L.L.B from Karnataka State Law University. He was previously associated with Vaatsalya Healthcare Solutions Pvt. Ltd., as a Managing Director, Gokaldas Exports Limited as a Financial Controller and Arvind Retail Limited as a Vice President Finance.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. H. S. Raghavendra Rao

Chairman & Managing Director

Mr. Diwakaraiah N J *

Executive Director and Chief Financial Officer

Mr. Ramegowda Shiva Kumar

Executive Director & VP Operations

Mr. Gopinath Vedaprakash \$

Additional Whole-Time Director

Mr. Kalyanasundaram Chandrasekaran

Independent Director

Mr. Prakash Nagabushan

Independent Director

Mrs. Lathika Siddharth Pai

Independent Director

KEY MANAGERIAL PERSONNELS

Mr. Prasanna Kumar T S

Chief Financial Officer

Mr. Gurumurthy Hegde

Company Secretary, Legal and Compliance Officer

SENIOR MANAGEMENT PERSONNELS

Mr. Pramod B

Sr. Deputy General Manager - Operations

Mr. Anand S

Sr. Deputy General Manager - Supply Chain Management

Mr. Manjunath G S

Sr. Manager - Human Resources and Administration

Mr. Rajanikanth K.N

Sr. Manager-Logistics

Mr. Atul Dhondiram Mutthe

Manager- Quality

STATUTORY AUDITORS

M/s. NBS & Co.

Chartered Accountants

14/2, Western India House,

Sir P.M. Road,

Fort, Mumbai - 400 001

SECRETARIAL AUDITORS

CS Pramod S

Company Secretary in Practice

No. 404/2, Ground Floor,

7th Main, 9th Cross Road,

2nd Block, Jayanagar,

Bengaluru-560011, Karnataka

INTERNAL AUDITORS

M/s. Rajagopal A and Co.

Chartered Accountants

#1, Bengaluru, Palace Ground,

Vasanth Nagar,

Bengaluru-560052

REGISTERED OFFICE & MANUFACTURING UNIT

DCX Systems Limited

Aerospace SEZ Sector, Plot Nos. 29, 30 and 107

Hitech Defence and Aerospace Park,

Kavadadasanahalli, Bengaluru Rural - 562 110 Karnataka

BANKERS

HDFC Bank Limited

Axis Bank Limited

State Bank of India

ICICI Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

MUFG Intime India Private Limited

C-101, Embassy 247,

Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai - 400 083,

Maharashtra

* Resigned w.e.f August 31, 2025

\$Appointed as an Additional Whole-Time Director w.e.f September 01, 2025

#Appointed as Chief Financial Officer w.e.f September, 02, 2025

BOARD'S REPORT

To,
The Members,

Your directors take immense pleasure in presenting the 14th Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended March 31, 2025. Standalone and Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL PERFORMANCE:

The financial performance of the Company for the financial year ended March 31, 2025 is summarized below: (₹ in Mn)

Particulars	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue from operations	11,120.60	14,233.95	10,836.71	14,235.83
Other income	675.65	462.08	800.26	496.45
Total Revenue	11,796.25	14,696.03	11,636.97	14,732.28
Total Expenses	11,248.57	13,842.01	11,033.24	13,786.20
Profit before tax	547.68	854.02	603.73	946.08
Tax expenses	(191.02)	(173.03)	(214.97)	(188.25)
Profit after tax	356.66	680.99	388.76	757.83
Total comprehensive income for the year, net of tax	355.48	661.72	474.35	738.56

Note: The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2025, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and as amended from time to time.

STATE OF COMPANIES AFFAIRS:

Standalone Financial Results:

The standalone revenue from operations decreased to ₹11,120.60 Mn for FY 2024-25 as compared to ₹14,233.95 Mn in FY 2023-24. EBITDA for FY 2024-25 stood at ₹28.82 Mn compared to ₹700.64 Mn achieved in FY 2023-24. The profit after tax stood at ₹356.66 Mn for FY 2024-25 as compared to ₹680.99 Mn in FY 2023-24.

Consolidated Financial Results:

The consolidated revenue from operations is ₹10,836.71 Mn for FY 2024-25 as compared to ₹14,235.83 Mn in FY 2023-24. EBITDA for FY 2024-25 stood at ₹46.12 Mn compared to ₹798.92 Mn attained in FY 2023-24. The profit after tax stood at ₹388.76 Mn for FY 2024-25 as compared to ₹757.83 Mn in FY 2023-24.

For detailed analysis of the performance, including industry overview, changes and outlook, please refer to the Management's Discussion and Analysis section of this Report.

DIVIDEND:

With a view to conserving resources for future operations and growth, the Board of Directors has not recommended any dividend for the financial year ended March 31, 2025. As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ('SEBI Listing Regulations'), the Company has adopted a Dividend Distribution Policy which is available on the website of the Company at i.e., <https://dcxindia.com>.

TRANSFER TO RESERVES:

The Company has not transferred any amount to General Reserves during the financial year 2024-25.

EQUITY SHARE CAPITAL:

The Authorized Share Capital of the Company is ₹25,00,00,000/- divided into 12,50,00,000 Equity Shares of face value of ₹2/- each and the paid-up-capital is ₹22,27,72,854/- divided into 11,13,86,427 Equity Shares of face value ₹2/-.

CHANGE IN PROMOTER OF THE COMPANY:

The Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad Bench has approved the Scheme of Amalgamation of VNG Technology Private Limited (Transferor Company), the erstwhile Promoter of the Company, with Raneal Technologies Private Limited (Transferee Company), the current Promoter of the Company, under section 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, vide order dated December 11, 2024. The said order became effective on December 30, 2024, i.e. the date on which certified true copy of the NCLT Order was filed with

the Registrar of Companies by the Transferor Company and Transferee Company.

Because of the aforesaid Scheme of Amalgamation becoming effective, the transferor company, i.e. VNG Technology Private Limited (Erstwhile Promoter of the Company) has dissolved without being wound up and Raneal Technologies Private Limited has become the Promoter of the Company.

DISCLOSURES:

- During the year under review, your Company has not revised the financial statements.
- There has been no change in the nature of business of the Company as on the date of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report for the year under review, which forms part of this Report as **Annexure - 1**.

DETAILS OF SUBSIDIARY COMPANIES:

As of March 31, 2025, the Company has two wholly owned subsidiaries: M/s. Raneal Advanced Systems Private Limited, India, and M/s. Niart Systems Limited, Israel, pursuant to sub-section (3) of section 129 of the Companies Act, 2013. Further, both entities are considered material subsidiaries in accordance with Regulation 16(1)(C) and 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The statement containing the salient features of the financial statement of the Company subsidiaries are given in the prescribed form AOC-1, as **Annexure - 2**.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements provided in this Annual Report.

DEBENTURES:

During the year under review, the Company has not issued any Debentures. As on date, the Company does not have any outstanding Debentures.

DEPOSITORY SYSTEM:

The Company's equity shares are tradable only in electronic form. As on March 31, 2025, 100% of the Company's total paid up capital representing 11,13,86,427 equity shares are in dematerialized form.

PARTICULARS OF EMPLOYEES:

The percentage increase in remuneration, ratio of remuneration of each director and key managerial personnel (KMP) (as required under the Companies Act, 2013) to the median of employees remuneration, and the list of top 10 employees

in terms of remuneration drawn, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of **Annexure - 3** to this Board's report.

BOARD OF DIRECTORS:

As of March 31, 2025, the Board of the Company comprised 6 Directors out of which 3 Executive Directors and 3 Non-Executive Independent Directors, one of whom is a Women Independent Director. The composition of the Board of Directors as on March 31, 2025 was in due compliance of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD MEETINGS:

During the year under review, the Board of Directors met 09 (Nine) times on the following dates:

1. April 10, 2024	6. November 12, 2024
2. May 16, 2024	7. January 02, 2025
3. June 17, 2024	8. February 06, 2025
4. August 12, 2024	9. March 21, 2025
5. August 22, 2024	

AUDITORS:

I. STATUTORY AUDITORS:

M/s. NBS & Co. [ICAI FRN No. 110100W] Chartered Accountants were appointed as Statutory Auditors of the Company by the Shareholders at the 11th Annual General Meeting held on July 28, 2022 for a period of 5 years, who will act as Statutory Auditors of the Company till the conclusion of the 16th Annual General Meeting of the Company.

II. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Pramod S, (ICSI Membership No: A36020 and COP 13335) Practicing Company Secretary, Bengaluru, to conduct Secretarial Audit of the Company.

Based on the recommendations of the Audit Committee and the Board of Directors at its meetings held on May 27, 2025 CS Pramod S, (ICSI Membership No: A36020 and COP 13335) Practicing Company Secretary, Bengaluru, is proposed to be appointed as a Secretarial Auditor of the Company to hold office for a term of 5 (five) years commencing from the financial year 2025-26 to financial year 2029-30 subject to approval of the Shareholders in the ensuing Annual General Meeting of the Company as required under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

III. COST AUDITOR:

The Company has maintained cost records as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 and requirement of cost audit is not applicable as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 read with rule 10.2.4 (3) of Companies (Cost Records and Audit) Rules, 2014, as the Company carrying out its operations in Special Economic Zone.

IV. INTERNAL AUDITOR:

M/s. P P B N & Co [ICAI FRN 002694S], Chartered Accountants, was appointed as an Internal Auditors for conducting the internal audit of the Company for the financial year 2024-25, who conducted the internal audit periodically and submitted their reports to the Audit Committee and the Board.

Further, the Board has appointed Rajagopal A and Co [ICAI FRN 027895S], Chartered Accountants, as an Internal Auditors for the financial year 2025-26, based on the recommendation of the Audit Committee.

STATUTORY AUDITORS' REPORT:

The Auditors' Report on the Financial Statements (Standalone and Consolidated) of the Company for the year under review, "with an unmodified opinion", as given by the Statutory Auditors, is disclosed in the Financial Statements forming part of the Annual Report. The Auditors' Report is unmodified and there are no qualifications or adverse remarks in their Report. Also, no frauds in terms of the provisions of Section 143(12) of the Companies Act, 2013 have been reported by the Statutory Auditors in their report for the year under review.

SECRETARIAL AUDIT REPORT:

The report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2025, is enclosed as **Annexure - 4** to this Report.

There are no qualifications, reservations, adverse remarks or disclaimers given by the Secretarial Auditor in the Report.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

There are no qualifications, reservations or adverse remarks made by the Auditors (Statutory Auditors and Secretarial Auditors) in their report. Hence, no comments are offered by the Board of Directors.

INTERNAL CONTROL SYSTEMS AND THE ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company's internal financial controls are commensurate with the scale and its operations. The Company has laid down guidelines, processes and structures, which enable

the implementation of appropriate internal financial controls across the organization. Such internal financial controls encompass policies, processes and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

EMPLOYEE STOCK OPTION PLANS (ESOPS):

The Company has not formed any Employees Stock Option during the year.

VIGIL MECHANISM/ WHISTLE-BLOWER:

Pursuant to provisions of Section 177 of the Companies Act, 2013 read with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has duly established Whistle Blower Policy as part of vigil mechanism for observing the conduct of Directors and Employees and report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct to the Chairman of the Audit Committee. This mechanism also provides for adequate safeguards against victimization of Director(s)/Employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

The said policy is available on the website of the Company i.e., <https://dcxindia.com>.

During the year under review, the Company has not received any complaints under the said mechanism.

BUY BACK OF SHARES:

Your Company has not bought back any shares during the year.

RISK MANAGEMENT POLICY:

The Company has constituted a Risk Management Committee aligned with the requirements of the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consisting of Executive Director and Non-Executive Independent Directors to identify and assess business risks and opportunities. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year till the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no significant or material orders passed by the regulators or courts or tribunals impacting on the going concern status and Company's operations in future.

THE DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR RESIGNED DURING THE YEAR:

Directors

During the year, the Board of the Company was duly constituted in line with the requirements under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For more details, please refer to the relevant section of Corporate Governance forming part of this Report.

Further, during the year, the following changes occurred in the composition of the Board of Directors:

- i. Mr. Panchangam Nagashayana, an Independent Director of the Company, passed away on July 08, 2024. Mr. Panchangam Nagashayana served on the Board with dedication and integrity, and the Company greatly benefited from his guidance and expertise. The Board and management extend their heartfelt condolences to his family and acknowledge his significant contributions.
- ii. Mr. Neal Jeremy Castleman resigned as Director with effect from October 09, 2024.
- iii. Mr. Diwakaraiah Neriga Jagannatheswar was appointed as an Additional Executive Director with effect from June 28, 2024 and further, regularised as an Executive Director in the Annual General Meeting held on September 26, 2024.
- iv. Mr. Prakash Nagabushan was appointed as an Additional Independent Director with effect from August 01, 2024, and he further regularised as an Independent Director in the Annual General Meeting held on September 26, 2024.
- v. Mr. Ramegowda Shiva Kumar was appointed as an Additional Executive Director with effect from January 02, 2025, and he further regularised as an Executive Director on March 15, 2025.

Key Managerial Personnel (KMP)

During the year, Mr. Diwakaraiah Neriga Jagannatheswar was appointed as Chief Financial Officer (CFO) of the Company with effect from April 11, 2024.

DECLARATION BY INDEPENDENT DIRECTORS:

All Independent Directors of the Company have given declaration to the Company under Section 149(7) of the Companies Act, 2013 (the Act) that, they meet the criteria of independence as provided in Sub-Section 6 of Section

149 of the Act and also under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). All independent directors of your Company have also given declarations to the Company under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules 2014. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of management. The Independent Directors have affirmed compliance with the Code of Conduct.

In the opinion of the Board of Directors of the Company, Independent Directors on the Board of Company hold the highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. The composition of Independent Directors is an optimum mix of expertise (including financial expertise), leadership and professionalism.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the financial year 2024-25, all transactions with related parties were entered into at arm's length basis and in the ordinary course of business.

The particulars of every contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 has been disclosed in Form No. AOC-2 as **Annexure - 5**.

HUMAN RESOURCES:

Your Company is determined to accelerate its growth story by responding to the changing needs of diverse work groups by fostering an engaging work environment, to constantly build the unique capabilities and skills of the people. Robust Human Resource policies are in place which enables building a stronger performance culture and at the same time developing current and future leaders.

The employee strength of the Company, at the end of Financial Year i.e., March 31, 2025 was 140.

Further, your Board of Directors report that, Policy against Sexual Harassment at workplace is in line with the requirement of the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and that the employees have been advised to address their grievances under this Act for redressal. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has zero tolerance on sexual harassment at workplace. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Disclosure in relation to Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sl. No.	Particulars	Number of Complaints
1	Number of complaints filed during the financial year	Nil
2	Number of complaints disposed of during the financial year	Nil
3	Number of complaints pending as at the end of the financial year	Nil

During the year, the Company has complied with the provisions relating to the Maternity Benefit Act, 1961.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO:

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings & outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is appended as an **Annexure - 6** to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Corporate Social Responsibility (CSR) Committee has been entrusted with the prime responsibility of recommending to the Board, the CSR activities to be undertaken by the Company in terms of CSR Policy, the amount of expenditure to be incurred and monitoring the implementation of the framework of the CSR Policy.

The Annual report on CSR as per Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014 have been given in **Annexure - 7** forming part of this Report.

The CSR Policy of the Company is available on the website of the Company at <https://dcxindia.com>.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR):

A detailed BRSR in terms of the provisions of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements), 2015 is enclosed as **Annexure - 8** form part of this Report.

CORPORATE GOVERNANCE:

Your Company provides utmost importance to the best governance practices and are designed to act in the best interest of its stakeholders. The Board of Directors reaffirm their continued commitment to good corporate governance practices. The fundamentals of Governance at the Company includes transparency, accountability, integrity and Independence.

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance including a certificate from CS. Pramod S, (ICSI Membership No: A36020, COP 13335) confirming compliance is enclosed as **Annexure - 9** to and forms an integral part of this Report.

BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance of the board was evaluated by the Board after seeking input from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after obtaining input from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. In a separate meeting of Independent Directors, Performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the Board Meeting that followed the meeting of the Independent Directors, the performance of the Board, its committees, and the Individual Director were also discussed.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS:

The familiarization programs aim to make the Independent Directors of the Company familiar with the business and operations of the Company. The Company organised such program for directors during the year under review and have plans for more such programs as and when required to update the Board on their roles and responsibilities as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said familiarization programs are placed on the website of the Company i.e., <https://dcxindia.com>.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 shall state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

at the end of the financial year and of the profit of the Company for that period.

- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION POLICY OF THE COMPANY:

The Nomination and Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management of the Company along with other related matters have been provided in the Corporate Governance Report. As and when the need arises to appoint Director, KMP and Senior Management Personnel, the Nomination and Remuneration Committee (NRC) of the Company determines the criteria based on the specific requirements. NRC, while recommending candidatures to the Board, takes into consideration the qualification, attributes, experience and independence of the candidate.

COMMITTEES OF THE BOARD:

The Board of Directors of the Company have constituted the following committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

The details with respect to the composition, number of meetings, attendance, powers, roles, terms of reference, etc. of the aforesaid committees are given in details in the "Report on Corporate Governance" of the Company which forms part of this Report.

DETAILS OF AMOUNT RECEIVED FROM A DIRECTOR OF THE COMPANY:

During the year under report, the Company has not received any amount from any Director of the Company pursuant to Rule 2 (1)(c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014.

SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA ('ICSI'):

In terms of Section 118(10) of the Companies Act, 2013, the Company has complied with the applicable Secretarial Standards i.e. SS-1 and SS-2, relating to the Meetings of the 'Board' and 'General Meetings', respectively, as specified by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government.

ANNUAL RETURN:

The Annual Return of the Company as per the provisions of Section 134(3)(a) and 92(3) of the Companies Act, 2013, is available on the website of the Company <https://dcxindia.com/investors/annual-report-and-annual-return-2/>

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

There was no unpaid/unclaimed dividend that was required to be transferred to the Investor Education and Protection Fund.

DEPOSITS:

The Company has neither accepted nor renewed any deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

AWARDS RECEIVED DURING THE YEAR:

During the year, the following awards were received:

1. Awarded Global Achievers Award for setting a benchmark for innovation and excellence in Defence Industry to Dr. H S Raghavendra Rao, Chairman and Managing Director, recognising for his global impact and leadership in the industry, from Vishwavani at Maldives.
2. Awarded Veera Kannadiga Award to Dr. H S Raghavendra Rao, Chairman and Managing Director, for his remarkable achievements and contributions to the defence industry from ZEE Kannada News at Bengaluru.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading (Code') in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulating trading in securities by the Directors, Designated Employees and Connected Persons of the Company. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in the shares of the Company by its Directors, Designated Employees, their immediate relatives and Connected Persons.

The Code requires pre-clearance approval for dealing with the Company's shares for all transactions by the Directors and Designated Employees (together called Designated Persons) and prohibits the purchase or sale of the Company's securities by Designated Persons while in possession of Unpublished Price Sensitive Information (UPSI) in relation to the Company. The Company Secretary is responsible for the implementation

and monitoring of the Code. The Company also has in place a Code for practices and procedures for fair disclosure of unpublished price sensitive information which is available on the website of the Company at: <https://dcxindia.com>.

The Company regularly and timely intimates the designated persons and connected persons for non-trading in the shares of the Company whenever UPSI is available and also, the Company takes steps to freeze the PAN of designated and connected persons at the platform of the CDSL i.e. the Company's designated Depository Participant for non-dealing of shares of the Company whenever the trading window closes for declaration of financial results.

INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the financial year, neither any application nor any proceeding is initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

SETTLEMENTS WITH BANKS OR FINANCIAL INSTITUTIONS:

During the year under review, no settlements were made by the Company with any Banks or Financial Institutions.

DETAILS OF PENALTIES/PUNISHMENT/ COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE DIRECTORS' REPORT:

There were no penalties/punishment/commitments affecting the financial position of the Company between the end of the financial year and the date of the Board's Report.

INSURANCE:

Your Company has taken appropriate insurance for all assets as per general industry practice.

OTHER DISCLOSURES:

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these items during the year under review;

- i. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ii. Issue of shares (including sweat equity shares) to employees of the company under ESOP or any other scheme.
- iii. The Managing Director of the Company has not received any remuneration or commission from the subsidiary.

GREEN INITIATIVE:

We request all shareholders to support the 'Green Initiative' of the Ministry of Corporate Affairs and the Company, by enabling the service of the Annual Report, Annual General Meeting Notice and other documents through electronically to your email address registered with your Depository Participant/ Registrar and Share Transfer Agent.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation to all Stakeholders, Investors, Customers, Vendors, Banks, Rating Agency, Central and State Governments, the Company's valued investors and all other business partners, for their assistance and continued co-operation during the year under review.

Your Directors also place on record their deep sense of appreciation for the dedicated service of the employees of the Company.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 02.09.2025

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN: 00379249

Sd/-
Shivakumar R
Executive Director
DIN: 08678987

ANNEXURE-1

MANAGEMENT DISCUSSION AND ANALYSIS

Forward-Looking Statement

This Management Discussion and Analysis of Financial Condition and Results of Operations contains statements that describe the Company's objectives, expectations, or predictions, which may be considered forward-looking within the context of applicable securities laws and regulations. These forward-looking statements are founded on certain assumptions and expectations regarding future events. The Company does not guarantee the accuracy or realisation of these assumptions and expectations. Furthermore, the Company undertakes no obligation to publicly update or revise any forward-looking statements based on subsequent developments, information, or events. Actual results may significantly differ from those expressed or implied in these statements. Key factors that could affect the Company's operations include changes in government regulations, tax laws, economic conditions within the country, and various global factors.

The financial statements are prepared in accordance with IND AS guidelines and comply with the Accounting Standards notified under Section 211(3C) of the Act, in conjunction with the Companies (Accounting Standards) Rules, 2015. The management of DCX Systems Limited has exercised prudent and reasonable judgment and estimation in preparing these financial statements to ensure they accurately and fairly represent the Company's financial condition and profit for the year.

This discussion of our financial condition and results of operations should be read in conjunction with our audited standalone financial statements and the accompanying notes included in the annual report. Unless otherwise specified or the context requires otherwise, references to "we," "us," "our," "the Company," and "DCX Systems" refer to DCX Systems Ltd.

About DCX Systems Limited

DCX Systems Limited is a prominent player in the defence and aerospace sectors, offering end-to-end solutions in cable and wire harnesses, electronic systems and sub-systems, high-end system integration, and PCB assembly. With a strategic focus on indigenisation, integration, and manufacturing, the company has positioned itself as the preferred Indian Partner for the Global OEM's especially for Israeli Defence Company, IAI, while also expanding into geographies such as the United States, Korea, and Israel for both IOP and non-IOP projects.

Company overview

In FY25, DCX Systems reported consolidated revenue of ₹1,083.67 crore compared to ₹1,423.58 crore in FY24, reflecting the impact of global headwinds and industry-wide challenges. Despite this, the company maintained strong

momentum with a consolidated order book of ₹2,855 crore as of March 31, 2025, providing visibility for future growth. Its operations are supported by state-of-the-art manufacturing facility in Bengaluru and an additional EMS facility under its wholly owned subsidiary, Raneal Advanced Systems Pvt. Ltd., which is dedicated to Electronic Manufacturing Services for both captive consumption and external customers.

Historical milestones

The company was incorporated in 2011 and commenced its journey by fulfilling deemed export orders. By 2015, it had secured industrial licenses from the Government of India to manufacture microwave and electronic components, and in 2018 it obtained authorization to export munitions list items to IAI Elta Systems in Israel for use by the Indian Air Force and Navy. In 2020, DCX expanded its footprint by commissioning a state-of-the-art facility in the Aerospace SEZ, Bengaluru. The company went public in 2022, raising ₹400 crore through an IPO and simultaneously launched Raneal Advanced Systems for backward integration into EMS. It also incorporated NIART Systems Ltd. to provide obstacle detection solutions for the railway sector, enhancing safety and efficiency. The following year, DCX successfully raised ₹500 crore through a Qualified Institutional Placement, while also adding marquee global clients such as Lockheed Martin, Ametek, L&T, and Collins Aerospace to its portfolio. Most recently, in FY25, DCX signed a joint venture agreement with ELTA Systems to manufacture airborne maritime radar, fire control radar, and other radar systems for airborne and land applications under the Make in India initiative.

Business model and strengths

The business model of DCX Systems is anchored in its integrated approach that combines manufacturing, system integration, and allied services. Its cable and wire harness business continues to be a high-margin segment and is further strengthened by backward integration into Electronic Manufacturing Services through Raneal Advanced Systems, which provides cost efficiency and supply chain control. System integration has evolved as a strong growth driver, with DCX being a preferred Indian partner for leading global OEMs. Over the past few years, the company has steadily increased the share of non-offset projects from about 15 percent to nearly 40 percent, thereby reducing dependence on offset obligations and improving profitability. In addition, it has diversified into kitting and MRO services, which add incremental revenue streams without requiring significant capital expenditure. The company's strengths lie in its robust global procurement network, strong execution capabilities, asset-light operating model, and its ability to pursue technology tie-ups for new product development. Together, these elements position DCX Systems for sustainable growth in the evolving defence and aerospace landscape.

Industry landscape

The defence and aerospace sectors are undergoing a phase of sustained expansion, shaped by persistent geopolitical tensions, the ongoing modernisation of armed forces, and the steady introduction of advanced technologies. Increasing focus on self-reliance in defence production and the integration of next-generation electronic and aerospace systems are further redefining the contours of the industry. Globally, the demand for defence electronics, system integration, and high-reliability manufacturing is rising, while in India, the sector is supported by strong government policies aimed at strengthening local capabilities and reducing dependence on imports.

The Positive Indigenisation List and the Defence Acquisition Policy are at the centre of these policy interventions, encouraging the development of domestic capacities, promoting Make in India, and opening opportunities for companies to participate in a broad spectrum of defence programmes. In parallel, the liberalisation of foreign direct investment norms and the corporatisation of the Ordnance Factory Board have created a more competitive and open ecosystem for private players. Together, these reforms are driving a structural shift that favours innovation, localisation, and advanced manufacturing in the country.

DCX Systems is well-positioned to take advantage of these tailwinds. Its integrated business model, spanning cable and wire harnesses, electronic systems, sub-systems, system integration, and PCB Assembly, aligns directly with the evolving needs of defence and aerospace customers. The company's partnerships with global OEMs, focus on indigenisation, and diversification into non-offset projects reflect a forward-looking strategy that matches the direction of the industry. By combining operational expertise with strong customer relationships and a commitment to advanced, technology-driven solutions, DCX is equipped to play a larger role in both domestic and international markets as the industry continues its transformation.

Financial Performance

DCX Systems has demonstrated consistent growth, with a healthy CAGR in both revenue and profit over the last few years. As of March 31, 2025, the company reported an order book of ₹ 2,855 crore, a sharp rise from the previous year. Financial highlights for FY25 include consolidated operational revenues of ₹ 1,083.67 crore, EBIT of ₹ 71.27 crore, and PAT of ₹ 38.88 crore. While YoY revenues declined due to market headwinds, the company maintained resilience, supported by efficient execution and long-term strategic initiatives.

Industrial Offset Partnership Opportunities

DCX Systems, a prominent player in the Indian defence market, continues to stand out as one of the largest IOPs (Indian Offset Partners) for the IAI Group from Israel. Specialising in "Build-to-Print" system integration and the manufacturing of cable and wire harness assemblies, DCX Systems excels in defence technology applications. Their capabilities cover electronic assemblies, automatic missile detection radars,

unmanned aerial vehicle systems, Barak systems, medium-range maritime reconnaissance aircraft, and short-range surface-to-air missiles.

The company holds **AS-9100:2016 certification** for quality management system in Defence & Aerospace manufacturing, and a **Defence Industrial License** from the Ministry of Commerce and Industry, positioning it to support critical, secret and classified defence product manufacturing.

Order Book Position Details

As of March 31, 2025, DCX Systems Limited reported a **robust order book of INR 2,855 crore**, reflecting a substantial backlog and growing demand for its offerings in the defence and aerospace industries. Recent wins include:

- **Two orders from Lockheed Martin Global, USA** worth INR 839.97 crore for electronic assemblies.
- **An order from ELTA Systems Ltd, Israel** worth INR 483 crore for Close-In Weapon System (CIWS) module assemblies.
- Additional **purchase orders of ~INR 57 crore** from overseas and domestic customers for CIWS antenna and cable/wire harness assemblies.

Strategic Vision

Looking ahead, DCX Systems aims to further de-risk its business model by:

- Expanding into **railway safety solutions** through NIART Systems.
- Growing its share of **non-offset projects**, which has risen from ~15% to ~40%, improving margins.
- **Backward integration** through Raneal Advanced Systems for EMS and PCB assemblies, reducing costs and strengthening supply chain resilience.
- Leveraging **technology transfer (ToT)** from Israel and the US to enhance product offerings and reduce R&D spend.

The company's strategic goal is to transition into a **technology-driven product company**, expanding globally across defence and aerospace while continuing to align with the Government's *Make in India* initiative.

Leadership

DCX Systems is guided by a seasoned leadership team with deep expertise in defence and aerospace manufacturing. At the helm is **Dr. H.S. Raghavendra Rao**, Founder-Promoter, Chairman and Managing Director, with over three decades of experience in electronics manufacturing. Supporting him is **Mr. Neal Jeremy Castleman**, Non-Executive Director, with more than four decades in the electronic manufacturing sector.

The senior management team has a proven track record of anticipating market shifts, expanding operations, and strengthening customer relationships. Their strategic

insights and operational focus have anchored the company's competitive edge.

Value Propositions

DCX Systems' business model rests on three pillars:

1. **Manufacturing** – Cable & Wire Harness and EMS (PCBA), with backward integration through Raneal Advanced Systems.
2. **System Integration** – Both IOP and non-IOP projects, covering a diverse range of defence and aerospace systems.
3. **Others** – Kitting and MRO services, offering additional revenue streams without additional capex.

This diversified structure strengthens DCX Systems' ability to serve global OEMs and deliver value across sectors.

Business Segments and Strategic Value

Manufacturing

DCX Systems continues to place strategic focus on its high-margin cable and wire harness business. This area is central to the company's profitability and financial health, with an emphasis on delivering high-quality, reliable products that are critical for diverse applications. By prioritising this segment, DCX has strengthened its reputation and customer trust in both domestic and international markets.

The EMS (PCB Assembly) segment remains a core competency of the company and has been further reinforced through backward integration by its wholly owned subsidiary, Raneal Advanced Systems. This move enhances efficiency, streamlines supply chain management, and supports operational excellence. The captive use of PCB assemblies reduces costs, improves overall efficiency, and enables DCX to offer competitive pricing while upholding superior product quality. By catering not only to defence and aerospace but also to other sectors, this segment ensures a diversified revenue stream, reducing risks associated with overdependence on a single market.

System Integration

DCX's role as the preferred Indian Offset Partner for the IAI Group reflects its credibility and reliability in delivering interoperable solutions. The segment is marked by strong yields and a solid order book, underscoring the company's ability to meet exacting global standards. At the same time, DCX has strategically concentrated on expanding its non-offset order book, thereby reducing reliance on the IOP model and achieving a balanced portfolio. This diversification has broadened the company's market reach and strengthened its customer base by offering customised system integration solutions tailored to different industry requirements.

A significant development within this segment is the company's joint venture with ELTA Systems. This collaboration is focused on airborne maritime radar systems, fire control radar systems, and other radar technologies for airborne and land applications under the Make in India programme. The JV

strengthens DCX's position in advanced defence technologies and supports its transition towards becoming a product-oriented company through Transfer of Technology from global OEMs.

Others

In kitting, DCX supplies assembly-ready kits of electronic and electromechanical parts, simplifying procurement for customers and reducing their assembly time and effort. This service provides a distinct strategic advantage, allowing DCX to position itself as a partner offering integrated solutions that are ready for immediate deployment.

In the MRO segment, the company focuses on testing and maintenance projects, creating an additional revenue stream that does not require heavy capital expenditure. This enhances efficiency and reinforces DCX's expertise in ensuring the longevity and reliability of its products.

Strategic Positioning and Market Differentiation

DCX's strategic positioning is defined by its ability to offer a comprehensive suite of solutions across manufacturing, system integration, kitting, and MRO. By maintaining a strong focus on high-margin, high-quality products and services, the company has built a reputation for reliability and excellence in the market. Its approach to backward integration and operational efficiency ensures competitive pricing and innovation, while sector diversification across defence, aerospace, and civilian markets safeguards financial stability and future growth. The company's deep understanding of customer needs and ability to deliver customised solutions, from assembly-ready kits to complex maintenance and repair services, continues to drive customer satisfaction and loyalty.

A major area of strategic expansion lies in DCX's collaboration with ELTA Systems through the establishment of NIART Systems Ltd. in Israel. NIART is dedicated to developing advanced obstacle detection solutions for the railway sector, aimed at enhancing operational safety and efficiency. By combining ELTA's technological expertise with DCX's manufacturing capabilities, NIART has introduced products with nearly double the track visibility compared to current standards, extending up to 1.4 kilometres. These solutions are targeted at both domestic and export markets, reinforcing DCX's global ambitions in this space. Importantly, NIART is also structured to generate steady business for DCX, as it will source system integration, cables, and PCB assemblies directly from the company. This arrangement not only creates a recurring revenue pipeline but also strengthens DCX's positioning as a technology-driven product company delivering solutions aligned with global benchmarks.

Key Advantages of DCX Systems

- **Preferred Indian Offset Partner (IOP):** Among the largest partners for the IAI Group, with deep relationships built over a decade in defence and aerospace.
- **Integrated business model:** End-to-end capabilities in cable & wire harness, PCB assembly through Raneal

Advanced Systems, and system integration, supported by kitting and MRO services.

- **Strong order visibility:** Consolidated order book of ₹2,855 crore as of March 31, 2025, backed by repeat global customers such as Lockheed Martin and ELTA Systems.
- **Non-offset diversification:** Share of non-offset projects has risen from ~15% to ~40%, improving margins and reducing dependence on offset contracts.
- **Technology collaborations:** Strategic JVs with ELTA Systems for radar systems and railway obstacle detection solutions (NIART Systems), ensuring Transfer of Technology (ToT) and faster product commercialization.
- **Backward integration in EMS:** Raneal Advanced Systems supports captive consumption, cost control, and stronger supply chain resilience.
- **Sectoral reach and diversification:** Presence across defence, aerospace, railways, and emerging civilian applications, ensuring multiple revenue streams.
- **Leadership and execution strength:** Experienced management team with proven ability to win and execute large-scale global projects, ensuring sustained customer trust and recognition.

Global Economic Environment

The world economy is currently in a delicate transition, characterised by modest recovery, persistent risks, and cautious optimism. According to the IMF's World Economic Outlook (January 2025), global GDP is expected to expand by 3.3% in both 2025 and 2026, below the long-term average of 3.7%. Inflationary pressures are easing, projected to fall from 4.2% in 2025 to 3.5% in 2026, as major central banks move away from aggressive tightening and supply-chain disruptions gradually ease.

Advanced economies such as the United States, Germany, and Japan are witnessing resilient consumer demand and smoother supply chains. In contrast, many emerging markets remain constrained by tighter financial conditions, elevated external debt, and currency depreciation. The IMF cautions that unresolved policy differences and rising protectionist tendencies—particularly U.S.-driven tariff escalations—could trim global growth to 2.8% in 2025.

Geopolitical volatility, notably in the Middle East, continues to exert pressure on energy markets and inflation dynamics. Offsetting these challenges, the rapid adoption of digitalisation and AI-driven productivity improvements provides a medium-term boost to global economic prospects. Yet, these gains are uneven, complicated by varying regulatory readiness and concerns around labour market disruptions.

Selective monetary easing in certain emerging economies, alongside more stable commodity prices, may help curb volatility. Nonetheless, the persistence of tight global financial conditions leaves low-income and fragile economies exposed

to capital outflows, fiscal imbalances, and external shocks.

Indian Economic Overview

India continues to distinguish itself as the world's fastest-growing major economy. GDP growth is estimated between 6.5% and 7.0% for FY 2024–25 and projected to stabilise at 6.5% in FY 2025–26. The growth trajectory is supported by strong household consumption, government-led infrastructure push, improved logistics networks, and structural reforms designed to raise manufacturing competitiveness.

In FY 2023–24, construction and manufacturing emerged as leading growth engines, expanding by 10.7% and 8.5%, respectively. Their contribution to Gross Value Added (GVA) underscores the resurgence of industrial activity. The Reserve Bank of India (RBI) reports a 14.1% YoY increase in credit to MSMEs, while credit flows to NBFCs and services grew by more than 20%, signalling broader access to formal finance and strengthening financial inclusion.

The RBI has kept the repo rate steady at 6.5%, striking a balance between inflation control and growth. Consumer inflation has moderated and is likely to remain within the 2–6% tolerance band, trending towards the 4% medium-term target.

Although India's fundamentals are strong, risks persist from global commodity price swings, food inflation, supply-chain disruptions, and spillovers from emerging-market stress. Nevertheless, the country's stable macroeconomic framework, prudent policymaking, and an expanding industrial base position it well to sustain momentum and reinforce its role as a key driver of global growth.

Review of Indian and Global Defence Sector

Global

The global aerospace and defence (A&D) industry delivered record performance in 2024 despite lingering supply chain bottlenecks and production constraints. According to PwC's 2025 report, industry revenues surged to **\$922 billion**, a 9% year-on-year increase, while operating profit rose 11% to **\$84 billion**, supported by resilient aftermarket activity and rising demand for service and replacement parts. Civil aviation suppliers such as TransDigm, GE Aerospace, and Collins Aerospace were central to this momentum, benefitting from extended aircraft lifecycles as OEM production struggled to match demand. While passenger traffic growth was robust—with Revenue Passenger Kilometres rising by 10.4% and global load factors hitting a record 83.5%—aircraft deliveries lagged, keeping the industry backlog at more than 14,000 units, equivalent to a decade of production at normal output levels. This imbalance between demand and capacity has created enduring tailwinds for aftermarket specialists and sustained earnings visibility across the sector.

The defence segment also reported historic highs, with global military expenditure crossing **\$2.178 trillion** in 2024, surpassing Cold War peaks. Rising geopolitical tensions, particularly in Eastern Europe, the Middle East, and East

Asia, drove substantial increases in national defence budgets, leading to an 11% expansion in order backlogs for the world's largest defence contractors. Yet, despite revenues climbing 7%, operating margins compressed to 6.9% due to cost overruns and program-related charges. Lockheed Martin, Northrop Grumman, and Raytheon all recorded significant backlog growth, but production challenges limited margin gains. At the same time, the industry faced heightened trade frictions, most notably tariff escalations between the US and China and restrictions on rare earth exports critical for advanced defence systems. Even so, long-cycle demand, rising government procurement, and emerging innovation in green aviation and next-generation systems continue to reinforce the industry's resilience, positioning aerospace and defence as a sector of strategic importance with a robust multi-year growth trajectory.

For DCX Systems, these dynamics present both opportunities and challenges. The global supply-demand imbalance in aerospace production and the surge in defence expenditure align strongly with DCX's expertise in system integration, cable and wire harnesses, and electronic assemblies. The company's position as one of India's leading offset partners for global OEMs, combined with its diversification into non-offset and railway safety solutions, places it at the intersection of these growth drivers. Rising demand for aftermarket services and sustained defence procurement underscore the potential for DCX to secure long-term contracts, deepen its global partnerships, and accelerate its transition into a technology-driven product company. At the same time, geopolitical and trade-related uncertainties highlight the need for agility, cost efficiency, and continued investment in backward integration, ensuring DCX remains resilient and competitive in a rapidly evolving global A&D landscape.

Indian

India has emerged as one of the world's most dynamic defence markets, supported by sustained government investment and a strategic focus on indigenisation. In the Union Budget 2024–25, defence expenditure was pegged at **₹6.21 lakh crore (approximately USD 74 billion)**, representing 1.89% of GDP and a 4.72% increase over the previous year. This allocation reflects the government's determination to strengthen national security in an environment marked by persistent border tensions with China, unresolved issues with Pakistan, and evolving maritime challenges. The modernisation of India's armed forces remains a central priority, with increased spending on missile systems, drones, naval assets, electronic warfare, and space-based surveillance. Flagship programmes such as Agni, BrahMos, Astra, Akash, LRSAM, and MRSAM showcase both the scale and technological sophistication of India's defence ambitions.

A defining element of this growth story is the **Atmanirbhar Bharat (Self-Reliant India)** initiative, which has significantly reoriented defence procurement policy toward domestic industry. Over 500 items have now been placed on the positive indigenisation list, ensuring greater opportunities for

Indian manufacturers. Structural reforms such as the Strategic Partnership model, redefined offset obligations, and increased private sector participation have further accelerated the sector's transformation. At the same time, India's global footprint is expanding, with defence exports touching a record **₹23,622 crore (USD 2.76 billion) in FY 2024–25**, up 12% year-on-year. Indian companies are now supplying missiles, radars, simulators, and ammunition to regions spanning Southeast Asia, the Middle East, and Eastern Europe, with the private sector contributing nearly 60% of these exports. Coupled with initiatives such as the Government-Owned Company-Operated (GOCO) model for defence production, India is not only building self-reliance but also positioning itself as a competitive global supplier in critical defence technologies.

Complementing this, the **aerospace sector is strengthening its international presence**, with **Hindustan Aeronautics Limited (HAL)** at the centre of indigenous aircraft and helicopter programmes such as Tejas and Dhruv, alongside export opportunities in Malaysia, Argentina, and Africa. At the same time, India is increasingly being recognised as an emerging **global hub for defence electronics, avionics, and system integration**. With capabilities spanning cable and wire harnesses, PCB assemblies, radar systems, and advanced integration for aerospace and defence platforms, Indian companies are embedding themselves into global supply chains. This evolution reflects not only the success of policy reforms but also the ability of domestic players to match global standards, positioning India as a rising power in the high-technology defence and aerospace ecosystem.

Indian Defence Exports

India's defence exports reached an all-time high of ₹23,622 crore in FY 2024–25, reflecting a 12% rise over the previous year's ₹21,083 crore. The momentum came from both private and public sector contributions. While the private sector led with exports worth ₹15,233 crore, Defence Public Sector Undertakings significantly enhanced their role, registering a 43% jump to ₹8,389 crore. The growth was also visible in export authorisations, which increased by nearly 17% to 1,762 in FY 2024–25, and in the number of exporters, which rose by more than 17%, pointing to a widening base of players in the ecosystem.

This expansion underscores a decade-long transformation in India's defence industry. From just ₹686 crore in FY 2013–14, exports have surged 34-fold, driven by reforms under the "Make in India" and Aatmanirbhar Bharat vision. The government has streamlined licensing processes, digitised approvals, and supported innovation through initiatives such as iDEX and Defence Industrial Corridors. Today, India exports defence equipment to over 100 countries, with major buyers including the USA, France, and Armenia. Backed by policy reforms and strong leadership, the nation is steadily moving toward its ambitious target of achieving ₹50,000 crore in defence exports by 2029.

SWOT Analysis of DCX Systems Limited

Strengths

Diverse product portfolio: DCX offers a wide range of products, including cable assemblies, wire harnesses, electronic subassemblies, PCB assemblies (PCBA), and system integration. This breadth enables the company to serve aerospace, defence, automotive, and telecommunications sectors, ensuring a balanced and diversified revenue base.

Strong customer relationships: The company partners with leading global players such as Lockheed Martin and IAI, providing stable revenue visibility and reinforcing DCX's credibility and market standing.

Advanced manufacturing capabilities: With state-of-the-art facilities including a 30,000 sq. ft. unit in Aerospace SEZ, Bengaluru, and a 40,000 sq. ft. EMS facility operated through its wholly owned subsidiary, Raneal Advanced Systems, DCX delivers products that meet stringent international standards.

Backward integration: Through Raneal Advanced Systems, the company has integrated into EMS, enabling cost efficiencies, improved working capital utilization, and stronger supply chain control.

Global presence: Operations and customers in Israel, the US, Korea, and India provide geographic diversification, reducing dependence on any single market.

Weaknesses

High operational costs: Maintaining advanced facilities and adhering to rigorous quality benchmarks requires significant expenditure, impacting margins during demand volatility.

Supply chain dependencies: While a global procurement network supports efficiency, it also exposes DCX to risks from geopolitical disruptions, raw material shortages, or logistical delays.

Inventory challenges: High-value and technically sophisticated components demand precise inventory management. Inefficiencies can increase costs and affect delivery schedules.

Competitive landscape: Cable assemblies and electronic subassemblies markets are highly competitive, with pricing pressure from multiple domestic and global players potentially impacting profitability.

Opportunities

Expansion in emerging markets: Rapidly growing Asian economies, particularly in aerospace and defence, offer room for DCX to strengthen its footprint.

Technology-led growth: Opportunities exist in joint ventures and transfer of technology to develop advanced solutions, such as railway obstacle detection systems and complex PCBAs.

Rising defence expenditure: Increasing defence budgets globally create demand for DCX's system integration and cable harness capabilities.

Strategic alliances: Collaborations with global leaders—such as the JV with ELTA Systems—can drive innovation, market

reach, and product diversification.

Policy support: Initiatives like *Make in India*, the Positive Indigenisation List, and Defence Acquisition Policy 2020 promote domestic manufacturing and create a favourable ecosystem for DCX.

Opportunity Spectrum Cable & Wire Harness Industry Size

Year	Amount (USD mn)	CAGR
2022	541.2	
2029	1,477.3	15.4%

EMS (Electronics Manufacturing Services) Industry Size

Year	Amount (USD mn)	CAGR
2019	400.0	
2025	4,510.0	49.7%

MRO (Maintenance, Repair & Overhaul) Industry Size

Year	Amount (USD mn)	CAGR
2022	77.0	
2031	165.0	8.8%

Threats

Macroeconomic uncertainty: Global slowdowns or fiscal tightening can affect defence budgets, thereby impacting demand.

Regulatory changes: Shifts in compliance requirements or industry standards demand constant alignment. Non-compliance risks fines and reputational damage.

Supply chain risks: Natural disasters, geopolitical tensions, or transport bottlenecks can disrupt timely deliveries and customer satisfaction.

Cybersecurity threats: Operating in defence and aerospace makes DCX a prime target for cyberattacks, necessitating continuous investment in robust security systems.

Technological obsolescence: The pace of innovation in aerospace and defence means existing technologies can quickly become outdated, pressuring DCX to continuously upgrade capabilities.

Key Drivers of the Business

Indigenous industry drivers

The *Atma Nirbhar Bharat* initiative is a key driver, with measures such as:

- **Positive Indigenisation List:** Encouraging domestic sourcing and reducing import dependency.
- **Budget allocation:** Increasing defence outlay to strengthen local industry.
- **Corporatisation of OFBs:** Driving efficiency and competitiveness.
- **FDI liberalisation:** Attracting foreign investments and

collaborations.

- **Offset policies:** Promoting technology transfer and self-reliance.

Additionally, the application of EMS products in civilian industries like medical devices and opportunities from technology transfer support business growth beyond defence.

Expanding defence landscape

Both global and Indian defence markets are expanding due to geopolitical tensions, modernisation programmes, and rapid technology evolution. Defence spending is projected to grow steadily from CY22 through CY27, creating sustained opportunities for companies like DCX that combine advanced manufacturing, system integration, and global partnerships.

Review of Performance

Significant Purchase Orders Secured

DCX Systems entered into a JV agreement with ELTA Systems to conduct business in the areas of Airborne Maritime Radar System, Fire Control Radar System, and other Radar Systems for Airborne and Land applications under the *Make in India* program. The company also received a purchase order worth INR 483 crore from ELTA Systems Ltd. for manufacture and supply of Close-In Weapon System (CIWS) Module Assemblies. In addition, DCX received purchase orders worth INR 57 crore from overseas and domestic customers for supply of CIWS Antenna and Cable & Wire Harness Assemblies.

Expansion of Manufacturing Capacity

DCX established a new Domestic Tariff Area (DTA) unit along with its subsidiary Raneal Advanced Systems to support manufacturing activities. Commercial production at this facility is expected to commence shortly.

Strategic Focus on Non-Offset Orders

The share of non-offset projects in system integration continues to rise—from ~15% in earlier years to ~40%—helping to diversify away from the traditional offset model and improving margins.

JV with NIART Systems

DCX's subsidiary NIART Systems, formed in collaboration with ELTA Systems, is focused on radar & optics products for railways with significantly better track visibility (up to 1.4 km). This is positioned as a new revenue stream in domestic as well as export markets.

Review of Financial Performance

The company experienced a **decline in revenue and profitability in FY25** compared with FY24, primarily due to lower execution volumes, higher costs, and strategic investments in capacity and new ventures. However, the year also saw improvements in balance sheet strength and order book visibility (Rs. 2,855 crore consolidated as of March 31, 2025).

Revenue from Operations

- FY25: Rs. 1112.06 crore
- FY24: Rs. 1423.40 crore
- Growth: -21.87%

Raw Material Expenses

- FY25: Rs. 1080.33 crore
- FY24: Rs. 1,328.92 crore
- Growth: -18.71

Employee Cost

- FY25: Rs. 14.70 crore
- FY24: Rs. 12.06 crore
- Growth 21.89%

Other Operating Expenses (Incl. FX Gain/Loss)

- FY25: Rs. 14.14 crore
- FY24: Rs. 12.34 crore
- Growth: 14.59%

Total Expenditure (Incl. FX Gain/Loss)

- FY25: Rs. 1124.86 crore
- FY24: Rs. 1384.20 crore
- Growth: -18.74%

Other Income

- FY25: Rs. 67.57 crore
- FY24: Rs. 46.21 crore
- Growth: 46.22%

Depreciation

- FY25: Rs. 5.72 crore
- FY24: Rs. 2.48 crore
- Growth: 130.65%

EBIT

- FY25: Rs. 64.73 crore
- FY24: Rs. 113.79 crore
- Growth: -43.11%

EBIT Margin

- FY25: 5.82%
- FY24: 7.99%
- Growth: -217 basis points

Interest

- FY25: Rs. 9.96 crore
- FY24: Rs. 28.39 crore

- Growth: -64.92%

Profit Before Tax

- FY25: Rs. 54.77 crore
- FY24: Rs. 85.40 crore
- Growth: -35.87%

Tax

- FY25: Rs. 19.10 crore
- FY24: Rs. 17.30 crore
- Growth: 10.40%

Profit After Tax

- FY25: Rs. 35.67 crore
- FY24: Rs. 68.10 crore
- Growth: -47.62%

PAT Margin

- FY25: 3.21%
- FY24: 4.78%
- Growth: -157 basis points

Basic EPS

- FY25: 3.20
- FY24: 6.83
- Growth: -53.15%

Significant Changes in Ratios

- **Current Assets ratio**
 - o FY24: 2.57
 - o FY25: 2.98
- **Debt Equity ratio**
 - o FY24: 0.24
 - o FY25: Nil Debt

Return on Network

The Company's Return on Network stood at 3.09% as on March 31, 2025 vis-à-vis 6.09% as on March 31, 2024

Human Resources for FY25

Our employees continue to remain pivotal to our business success, and we maintain a strong focus on attracting, nurturing, and retaining top talent. We seek individuals whose

skill sets, interests, and backgrounds align with our evolving business needs.

Our workforce represents a balanced mix of seasoned professionals and young talent, enabling us to blend experience with innovation. This combination of skilled, semi-skilled, and unskilled resources, supported by a robust management team, has been instrumental in executing our strategic initiatives.

In FY25, we continued to strengthen our comprehensive training programs, which include behavioural, technical, leadership, and on-the-job training to enhance workforce capability.

Human Resources and Industrial Relations

At DCX Systems, our HR strategy remains centred on fostering a culture of continuous learning, inclusivity, and innovation. We view our employees as our greatest asset and are committed to providing opportunities for professional growth, career advancement, and holistic well-being.

During FY25, we enhanced employee engagement through structured initiatives such as leadership workshops, performance-linked development frameworks, and wellness programs addressing both physical and mental health. Our industrial relations remained stable throughout the year, underpinned by open communication and collaboration with employee representatives, ensuring a positive workplace environment.

Internal Control Systems

DCX Systems Ltd. has a well-established internal control system that ensures accuracy and reliability in financial reporting, compliance with applicable laws and regulations, and efficient conduct of business operations. The framework includes well-documented policies, regular audits, and monitoring by both internal and external auditors.

The Audit Committee continued to review internal audit findings during FY25 and ensured timely corrective actions were implemented. These systems collectively provide reasonable assurance regarding safeguarding of assets and maintaining the integrity of financial statements.

Risk & Risk Mitigation

Risk	Risk Definition	Risk Probability	Risk Impact	Risk Mitigation
Business Dynamics	Variance in the demand and supply of products in different geographies.	Medium	High	Predict demand based on experience and adjust supply accordingly.
Business Operations	Risks related to organisation and management including planning, monitoring, and reporting systems in day-to-day operations.	High	High	Defined organisational structure, clear information flow, backup positions, adequate raw material stock, cost management, captive power, and strong HR relations.
Liquidity Risks	Risks related to solvency, borrowing limits, and cash management.	Medium	Medium	Financial planning with budgets, variance analyses, cash flow monitoring, hedging support through LCs and bank guarantees.
Credit Risks	Settlement risks from clients, including provision for bad and doubtful debts.	Medium	Medium	Creditworthiness assessments, provisions, recovery systems, and follow-ups for dues, including government receivables.
Logistic Risks	Dependency on external transport services.	Medium	Medium	Partnering with committed service providers, in-house logistics, multiple transportation modes, and insurance coverage.
Market/Industry Risks	Fluctuations in demand, supply, pricing, lead time, and raw material rates.	High	High	Procurement from multiple sources, alternative vendor development, inventory control, and planning based on market experience.
Human Resource Risks	Employee turnover, replacement, training, skill gaps, and availability challenges.	Medium	Medium	Strong recruitment policies, appraisal systems, continuous training, and employee welfare initiatives.
Disaster Risks	Natural calamities like fire, floods, earthquakes.	Low	High	Insurance cover, fire safety systems, safety drills, risk assessments, first aid, and ESI/EPF coverage.
System Risks	IT system reliability, data integrity, and coordination risks.	Medium	High	Continuous monitoring, upgrades, password protection, licensed software, and access control.
Legal Risks	Risks linked to contracts, frauds, litigations, insurance, and IPR infringements.	Medium	High	Legal due diligence, compliance systems, quarterly reviews, and secretarial audits.

ANNEXURE-2

FORM AOC-1

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in Mn)

S. No.	Particulars	Details
1.	Name of the Subsidiary	Raneal Advanced Systems Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period.	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
4.	Share Capital	138.25
5.	Reserves & Surplus	375.89
6.	Total Assets	2,119.28
7.	Total Liabilities	1,605.14
8.	Investments	NIL
9.	Turnover	6,177.62
10.	Profit before taxation	136.28
11.	Provision for taxation	23.95
12.	Profit after taxation	112.33
13.	Proposed Dividend	NIL
14.	% of Shareholding	100%

S. No.	Particulars	Details
1.	Name of the Subsidiary	NIART Systems Ltd, Israel
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period.	01.01.2024 to 31.12.2024
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NIS
4.	Share Capital	0
5.	Share Warrant	90.88
6.	Reserves & Surplus	87.77
7.	Total Assets	189.12
8.	Total Liabilities	10.46
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	7.75
12.	Provision for taxation	-
13.	Profit after taxation	7.75
14.	Proposed Dividend	NIL
15.	% of Shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – Niart Systems Ltd (Israel)
- Names of subsidiaries which have been liquidated or sold during the year – NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Particulars	Details
1.	Name of Associates/Joint Ventures	NIL
2.	Latest audited Balance Sheet Date	
3.	Shares of Associate/Joint Ventures held by the Company on the year end: <ul style="list-style-type: none"> No. of Shares Amount of Investment in Associates/Joint Venture Extent of Holding % 	
4.	Description of how there is significant influence	
5.	Reason why the associate/joint venture is not consolidated	
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	
7.	Profit/Loss for the year <ul style="list-style-type: none"> Considered in Consolidation Not Considered in Consolidation 	
1.	Names of associates or joint ventures which are yet to commence operations - NIL	
2.	Names of associates or joint ventures which have been liquidated or sold during the year - NIL	

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 02.09.2025

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN: 00379249

Sd/-
Shivakumar R
Executive Director
DIN: 08678987

ANNEXURE-3

DETAILS OF REMUNERATION OF DIRECTORS, KMP's AND EMPLOYEES AND COMPARATIVES

(Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014) as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

a) Ratio of remuneration of each director to the median remuneration of the employees and percentage increase in remuneration:

Sl. No.	Name of the Director	Designation	Ratio of remuneration to Median Remuneration	% of increase/ Decrease in Remuneration Y-O-Y
1.	Dr. H S Raghavendra Rao	Chairman and Managing Director	55.16	No Change
2.	Diwakaraiah Neriga Jagannatheswar	Executive Director	13.41	N.A.#
3.	Ramegowda Shiva Kumar	Executive Director	13.70	N.A.#
4.	* Neal Jeremy Castleman	Non-Executive Director	0.00	N.A.#
5.	Kalyanasundaram Chandrasekaran	Non-Executive Independent Director	N.A.##	N.A.
6.	Lathika Siddharth Pai	Non-Executive Independent Director	N.A.##	N.A.
7.	Prakash Nagabushan	Non-Executive Independent Director	N.A.##	N.A.
8.	Panchangam Nagashayana	Non-Executive Independent Director	N.A.##	N.A.

These Directors held their respective offices only for part of the year and hence the percentage of increase of remuneration in these cases is not comparable with that of the previous year.

The Non-Executive Independent Directors were paid remuneration by way of sitting fees for attending the Board/Committee Meetings.

* During the year, Mr. Neal Jeremy Castleman resigned from the directorship of the Company with effect from October 09, 2024.

The remuneration to the Executive Director and Key Managerial Personnel (KMP) does not include provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

Sl. No.	Name of the KMP	Designation	Ratio of remuneration to Median Remuneration	% of increase/ Decrease in Remuneration Y-O-Y
1.	*Diwakaraiah Neriga Jagannatheswar	Executive Director and Chief Financial Officer	13.41	N.A.#
2.	Ramegowda Shiva Kumar	Executive Director and Vice-President	13.70	21.64%
3.	Prasanna Kumar T S	Sr. DGM- Finance & Accounts	9.31	10.70%
4.	Gurumurthy Ganapati Hegde	Company Secretary, Legal and Compliance Officer	4.90	29.09%
5.	G.S Manjunath	Sr. Manager - HR & Admin	5.02	10.70%
6.	Rajanikanth K N	Sr. Manager-Logistics	4.61	15.35%
7.	Anand S	Sr. DGM-SCM	8.81	21.64%
8.	Pramod. B	Sr. DGM-Operations	8.81	21.64%
9.	Atul D Mutthe	Manager-Quality	4.46	26.00%

#KMP held his respective office only for part of the year and hence the percentage of increase/decrease of remuneration in this case is not comparable.

During the year under review, Mr. Diwakaraiah Neriga Jagannatheswar was appointed as Chief Financial Officer with effect from April 11, 2024 and appointed as an Executive Director with effect from June 28, 2024 and Mr. Ramegowda Shiva Kumar appointed as an Executive Director with effect from January 02, 2025.

1. Percentage increase / (decrease) in median remuneration of employees in the financial year	The median remuneration of employees increased from ₹ 0.360 Mn, as of March 31, 2024 to ₹ 0.435 Mn as at March 31, 2025, representing an increase of 19.18%.
2. Number of permanent employees on the rolls of the Company	There were 140 permanent employees on the rolls of Company as on March 31, 2025.
3. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in employee remuneration other than managerial personnel was 17.02%. The percentile decrease in managerial remuneration was 75.16%.
4. The key parameters for any variable component of remuneration availed by the directors;	Not Applicable
5. The Company affirms remuneration is as per the Remuneration Policy of the Company.	
6. The median remuneration of employees during the financial year 2024-25 was ₹ 0.435Mn.	

b) Remuneration of top ten employees:

Name of Employee	Designation	Remuneration Received. (₹ in Mn)	Qualification	Experience (years)	Date of Commencement of employment	Age (years)	Last Employment	% of Equity share capital in the Company
Dr. H S Raghavendra Rao	Chairman & Managing Director	24.00	Honorary Doctorate in business management	34	16.01.2012	56	Served as a Director in multiple companies	3.42
Diwakaraiah N J	Executive Director & CFO	5.83	Cost Accountant	36	11.04.2024	60	Served as a Managing Director of Vaatsalya Healthcare Solutions Pvt. Ltd	0.00
Shiva Kumar R	Executive Director & Vice President	5.96	Bachelor of Engineering	24	01.10.2021	43	Served as a director of Raneal Technologies Pvt Ltd	0.09
Prasanna Kumar T S	Sr. DGM Finance & Accounts	4.05	Chartered Accountant	22	23.04.2012	44	Udapa Poojari & Sadashiva Chartered Accountants	0.07
Anand S	Sr. DGM-SCM	3.83	Diploma	18	02.08.2021	40	Served as a director of VNG Technology Pvt Ltd	0.02

Name of Employee	Designation	Remuneration Received. (₹ in Mn)	Qualification	Experience (years)	Date of Commencement of employment	Age (years)	Last Employment	% of Equity share capital in the Company
Pramod B	Sr. DGM-Operations	3.83	Bachelor of Engineering	19	01.10.2021	45	Served as a director of Raneal Technologies Pvt Ltd	0.04
Jagadeesh N	Sr. Manager-Accounts	3.43	Master of Commerce	16	02.05.2022	38	Financial Consultant	0.00
Abhijith M Kashyap	DGM-Business Development	2.80	Bachelor of Engineering	13	06.11.2023	34	Mahindra Aersostrutures Pvt Ltd	0.00
Ravichandra S G	Sr. Manager-Production	2.35	Bachelor of Engineering	18	06.11.2021	39	Varsity Instruments Pvt Ltd	0.01
G S Manjunath	Sr. Manager – HR & Admin	2.18	Master of Business Administration	31	01.02.2012	53	Le Meridian	0.07

None of the top ten employees in terms of remuneration are contractual and relative of any of the Directors of the Company, as per the provisions of Section 2(77) of the Companies Act, 2013.

c) Employees drawing more than Rs. 1.2 Crores to be recorded:

Name of Employee	Designation	Remuneration Received (Rs. in Mn)	Qualification	Experience (years)	Date of Commencement of employment	Age (years)	Last Employment
Dr. H S Raghavendra Rao	Chairman & Managing Director	24.00	Honorary doctorate in business management	34	16.01.2012	56	Served as a Director in multiple companies

ANNEXURE-4

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,

DCX Systems Limited

CIN: L31908KA2011PLC061686

Reg. Off. Add: Aerospace SEZ Sector, Plot Nos.29,30 and107,
Hitech Defence and Aerospacepark, Kavadadasanahalli,
Bengaluru rural 562110 Karnataka India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DCX SYSTEMS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31.03.2025, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(External Commercial Borrowings is not applicable to the Company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the Audit Period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) The management has identified and confirmed the following laws as specifically applicable to the Company:
 - (a) Industries (Development and Regulation) Act, 1951.
 - (b) Registration and Licensing of Industrial Undertakings Rules, 1952 and Registration and Licensing of Industrial Undertaking (Amendment) Rules, 2019.
 - (c) The Special Economic Zones Act, 2005 and the rules made thereunder.

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (b) The Listing agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory auditors, tax auditors, and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and consent to shorter notice have been taken wherever required and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines including general laws like labour laws, environmental laws.

I further report that during the audit period the company have following events / actions have taken place and same is mentioned as below;

1. During the year under review, the Company has appointed CMA. Diwakaraiah N J as Chief Financial Officer (CFO) of the Company w.e.f April 11, 2024 pursuant to resolution passed by the Board of Directors of the Company on April 10, 2024 in accordance with the provisions of Section 2(19), Section 203 of the Companies Act, 2013, Regulation 2(1)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations")

2. During the year under review, the Company has altered the objects of the initial public offer (IPO) for which amount was raised pursuant to the Special Resolution passed by Shareholders of the Company through postal ballot on May 03, 2024 in accordance with pursuant to the provisions of Sections 27, read with Section 13(8) of the Companies Act, 2013 and read with the Rule 7 of The Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof) and other applicable provisions of Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, if any.

3. During the year under review, the Company has availed Commercial Card facility from Axis Bank Ltd. for the amount not exceeding in the aggregate, Rs. 25,00,000/- (Rupees Twenty-Five Lakhs Only) pursuant to resolution passed by Management Sub-Committee of the Board of Directors on August 26, 2024 in accordance with provisions of section 179 (3) of Companies Act, 2013.

4. During the year under review, the Company has provided Corporate Guarantee to Kotak Mahindra Bank Limited for the financial facilities sanctioned to M/s. Raneal Advanced Systems Pvt Ltd, wholly owned Subsidiary Company for an amount of Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) pursuant to resolution passed by Management Sub-Committee of the Board of Directors on August 26, 2024 in accordance with provisions of section 179 (3) of Companies Act, 2013.

5. During the year under review, Mr. Diwakaraiah Neriga Jagannatheswar (DIN: 00427317) was appointed as

Additional Executive Director of the Company pursuant to resolution passed by the Board of Directors of the Company on June 17, 2024 in accordance with provisions of section 161(1) 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 for a period of 5 years w.e.f June 28, 2024 and liable to retire by rotation.

Further, Mr. Diwakaraiah Neriga Jagannatheswar was appointed as the Executive Director of the Company and the payment of remuneration to him was approved by the shareholders through an Ordinary Resolution passed at the Annual General Meeting held on September 26, 2024 in accordance with the provisions of Sections 152, 196, 197, and 198, read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), as well as the applicable provisions of the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 for a period of 5 years w.e.f June 28, 2024 and liable to retire by rotation.

6. During the year under review, Mr. Panchangam Nagashayana, Independent Director of the Company, passed away and consequently ceased to hold the office of Director with effect from July 08, 2024.
7. During the year under review, Mr. Prakash Nagabushan (DIN: 00998992) was appointed as Additional Independent Director of the Company pursuant to circular resolution passed the Board of Directors of the Company July 19, 2024 in accordance with the provisions of Sections 149, 152, 160 read with Schedule IV, Section 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules and regulations made thereunder, each as amended (collectively referred to as the "Companies Act"), Regulations 16, 17, 25 and other applicable regulations, if any, of the SEBI Listing Regulations and other applicable laws for a period of 5 years w.e.f August 01, 2024 and not liable to retire by rotation.

Further, Mr. Prakash Nagabushan was appointed as the Independent Director of the Company, pursuant to Special Resolution passed at the Annual General Meeting held on September 26, 2024 in accordance with the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), as well as the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a period of 5 years till July 31, 2029, and that he is not liable to retire by rotation.

8. During the year under review, Mr. Neal Jeremy Castleman resigned from the position of Director of the Company with effect from October 9, 2024.
9. During the year under review, Mr. Ramegowda Shiva Kumar (DIN: 08678987) was appointed as Additional Executive Director of the Company pursuant to resolution passed by the Board of Directors of the Company on January 02, 2025 in accordance with provisions of section 161(1) 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with

regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 for a period of 5 years w.e.f January 02, 2025 and liable to retire by rotation with a remuneration (CTC) of INR. 60,06,000/- (Rupees Sixty Lakhs Six Thousand Only) per annum.

Further, Mr. Ramegowda Shiva Kumar was appointed as the Executive Director of the Company and the payment of remuneration to him was approved by the shareholders through an Ordinary Resolution passed through postal ballot on March 15, 2025 in accordance with the provisions of Sections 152, 196, 197, and 198, read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), as well as the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a period of 5 years w.e.f January 2, 2025 and liable to retire by rotation.

10. During the year under review, the Company has provided Corporate Guarantee to Kotak Mahindra Bank Limited for the additional financial facilities sanctioned to M/s. Raneal Advanced Systems Pvt Ltd, wholly owned Subsidiary Company for an amount of Rs. 31,00,00,000/- (Rupees Thirty One Crores Only) pursuant to resolution passed by Management Sub-Committee of the Board of Directors on March 04, 2025 aggregating the Corporate guarantee of Rs. 131,00,00,000/- (Rupees One Hundred Thirty-One Crores Only) in accordance with provisions of section 179 (3) of Companies Act, 2013.
11. During the year under review, the Company filed multiple MGT-6 and BEN-2 forms from time to time, as and when the respective events occurred.

Pramod S.

Practicing Company Secretary

ACS: 36020; CP No.: 13335

Peer Reviewed Unit: 1491/2021

ICSI UDIN: A036020G001128353

Place: Bengaluru

Date: 01.09.2025

Note: This report is to be read with **"Annexure A"** which forms an integral part of this report

Annexure A

To,

The Members,

DCX Systems Limited

CIN: L31908KA2011PLC061686

Reg. Off. Add: Aerospace SEZ Sector, Plot Nos.29,30 and107,

Hitech Defence and Aerospacepark, Kavadasanahalli,

Bengaluru rural 562110 Karnataka India.

My Secretarial Audit Report of even date, for the Financial Year 2024-25 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

1. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliance based on my audit.
2. I believe that audit evidence and information obtained from the company's management is adequate and appropriate for me to provide a basis for my opinion.
3. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I have followed provide a reasonable basis for my opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

1. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
2. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.

Sd/-

Signature

Pramod S.

Practicing Company Secretary

ACS: 36020; CP No.: 13335

Peer Reviewed Unit: 1491/2021

ICSI UDIN: A036020G001128353

ANNEXURE-5

FORM NO. AOC- 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Not Applicable
c)	Duration of the contracts/arrangements/transaction	Not Applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable
e)	Justification for entering into such contracts or arrangements or transactions'	Not Applicable
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	RNSE-Tronics Pvt. Ltd. (a private company in which a director or his relative is a member or director)
b)	Nature of contracts/arrangements/transaction	i. Purchase of Raw materials, goods and ii. Availing or Rendering of Services
c)	Duration of the contracts/arrangements/transaction	The contract or arrangement shall be on a continuous basis throughout the year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹78.93 Mn and the transaction is of ordinary course of business at arm's length basis
e)	Date of approval by the Board, if any	10.04.2024
f)	Amount paid as advances, if any	NIL

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	DCX Chol Enterprises Inc (Any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager)
b)	Nature of contracts/arrangements/transaction	i. Sale of finished goods and ii. Availing or Rendering of Services
c)	Duration of the contracts/arrangements/transaction	The contract or arrangement shall be on a continuous basis throughout the year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹6.12 Mn and the transaction is of ordinary course of business at arm's length basis
e)	Date of approval by the Board, if any	10.04.2024
f)	Amount paid as advances, if any	NIL

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Raneal Advanced Systems Pvt. Ltd. (Wholly Owned Subsidiary)
b)	Nature of contracts/arrangements/transaction	i. Purchase of Raw Materials/Capital goods ii. Leasing of property of any kind;
c)	Duration of the contracts/arrangements/transaction	The contract or arrangement shall be on a continuous basis throughout the year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹6463.31 Mn and the transaction is of ordinary course of business at arm's length basis
e)	Date of approval by the Audit Committee, if any	10.04.2024
f)	Amount paid as advances, if any	NIL

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mr. Harsha H.M. (Director of a Promoter group company)
b)	Nature of contracts/arrangements/transaction	i. Availing or rendering of any services.
c)	Duration of the contracts/arrangements/transaction	The contract or arrangement shall be on a continuous basis throughout the year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹0.78 Mn and the transaction is of ordinary course of business at arm's length basis
e)	Date of approval by the Board, if any	10.04.2024
f)	Amount paid as advances, if any	NIL

ANNEXURE-6

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Pursuant to Section 134 (3)(m) of Companies Act, 2013 & Rule 8 (2) of The Companies (Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY:

i. the steps taken or impact on conservation of energy;

The operation of the Company is not energy intensive. However, the Company facilities are built environmental friendly, and the processes designed and adopted which is detailed below, are for efficiency in usage of resources, energy conservation and to ensure that no waste is transmitted into the environment.

Optimizing Industrial Processes: Involves systematically analyzing and improving workflows to enhance efficiency, reduce costs, and improve product quality. This is achieved through effectively implementing various methods, including automation, data analysis, and process mapping, with the goal of maximizing output and minimizing waste.

The Company has installed an LED based lighting system across the facilities for conservation of energy. The Company is in the process of making GAAP analysis for implementing IS 14000 with respect to environmental health and safety.

ii. the steps taken by the Company for utilizing alternate sources of energy; NIL

iii. the capital investment on energy conservation equipment; NIL

B. RESEARCH & DEVELOPMENT (R&D); NIL

C. TECHNOLOGY ABSORPTION:

i. the efforts made towards technology absorption;

The Company has provided regular training program for employees for skill upgradation and onsite job training to employees for selected special programs and conducting various internal training to promote and implement the best practices being followed in our industry with respect to manufacturing processes, thus improving the quality and productivity.

The following are the key aspects adopted which helped in optimizing industrial processes:

- **Identifying Bottlenecks and Inefficiencies:** Analyzing the current process to pinpoint areas where delays, errors, or excessive resource consumption occur.
- **Implementing Lean Manufacturing Principles:** Eliminating waste in all forms (e.g., overproduction, waiting, defects) to streamline operations.
- **Utilizing Data Analysis and Simulation:** Employing data to understand process behavior and identify areas for improvement, as well as simulating different scenarios to test potential changes.
- **Process Mapping:** Visually representing the workflow to identify redundancies and opportunities for optimization.
- **Equipment Optimization:** Ensuring that machinery is used efficiently, properly maintained, and upgraded when necessary.
- **Supply Chain Optimization:** Improving logistics, inventory management, and production planning to reduce lead times and costs.
- **Standardization:** Establishing consistent procedures and workflows to improve predictability and reduce variability.
- **Change Management:** Implementing changes effectively and managing resistance to ensure successful adoption.
- **Continuous Improvement:** Regularly reviewing and refining processes to adapt to changing market demands and maintain competitiveness.

- ii. **The benefits derived like product improvement, cost reduction, product development or import substitution;** Not Applicable
- iii. **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year);** Not Applicable
 - a) the details of technology imported;
 - b) the year of import;
 - c) whether the technology been fully absorbed;
 - d) if not fully absorbed, areas where absorption has not taken place, and reasons thereof; and

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Mn)

Particulars	FY 2024-25	FY 2023-24
Total Foreign Exchange earnings	10,982.59	14,097.04
Total Foreign Exchange outgo	14,546.04	5,811.57

ANNEXURE-7

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline on the Company's CSR Policy:

Company's vision is to actively assist in the improvement of the quality of life of the people in the communities, giving preference to local areas around our business operations and thus taking Corporate Social Responsibility (CSR) as a strategic social investment, aiming to align and integrate our resource with society's developmental needs towards creating a better tomorrow.

The CSR activities of the Company are guided by CSR policy, which includes activities mention in Schedule VII of the Companies Act, 2013 with great focus on health, education and employability of those from socially and economically backward groups, the under privileged and marginalized, and the society at large through education, awareness and training.

2. The Composition of the CSR Committee:

The Corporate Social Responsibility Committee comprised of the following directors as its members as on March 31, 2025:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Lathika Siddharth Pai	Chairperson and Member	1	1
2.	Dr. H. S. Raghavendra Rao	Member	1	1
3.	Mr. Prakash Nagabushan	Member	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

<https://dcxindia.com/>

4. Provide the Executive summary along with web-link of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. (a) Average net profit of the Company as per section 135(5): ₹823.48 Mn
- (b) Two percent of average net profit of the Company as per section 135(5): ₹16.47 Mn
- (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: ₹0.05 Mn
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹16.42 Mn
6. (a) Amount Spent on CSR Projects (both ongoing projects and other than ongoing projects): ₹16.50 Mn
- (b) Amount Spent on Administrative Overheads: Nil
- (c) Amount Spent on Impact assessment, if applicable: Nil
- (d) Total amount spent for the financial year[(a)+(b)+(c)]= ₹16.50 Mn
- (e) CSR amount spent or unspent for the financial year:

(Amount Unspent)

Total Amount Spent for the Financial Year	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹16.50 Mn	Not Applicable	Not Applicable	Not Applicable	Nil	Not Applicable

(f) Excess amount for set off, if any: ₹0.09 Mn

Sl. No.	Particular	Amount (in ₹Mn)
(i)	Two percent of average net profit of the company as per section 135(5)	16.47
(ii)	Total CSR Obligation for the financial year	16.42
(iii)	Total amount spent for the Financial Year	16.50
(iv)	Excess amount spent for the financial year [(iii)-(i)]	0.09
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(vi)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.09

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135	Balance Amount in Unspent CSR Account under sub- section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
1	FY 2021-22	--	--	--	--	--	--
2	FY 2022-23	--	--	--	--	--	--
3	FY 2023-24	--	--	--	--	--	--

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

If Yes, enter the number of Capital assets created/ acquired: _____

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

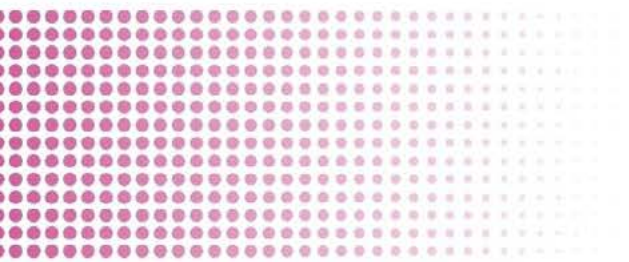
Sl. No.	Short particulars of the property or asset(s)[including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

For DCX Systems Limited		
	Sd/- Dr. H S Raghavendra Rao Chairman & Managing Director DIN: 00379249	Sd/- Lathika Siddharth Pai Chairperson– CSR Committee DIN: 00420102
Place: Bengaluru Date: 02.09.2025		

ANNEXURE-8

Business Responsibility and Sustainability Report FY 2024-25





About the Company

DCX Systems Limited (“DCX” or “the Company”) is a leading Indian manufacturing partner for foreign Original Equipment Manufacturers (OEMs) in the defence and aerospace sectors. It offers built-to-print electronic systems, wire harnesses, PCB assemblies, electromechanical modules, and system integration services. The Company’s reputation is built on timely delivery, precision engineering, and operational efficiency.

DCX is known for its strong quality management systems and efficient supply chain practices, which help manage extended lead times while maintaining customer satisfaction. With high visibility of future revenues and a strong financial position, the Company is well-positioned to respond to emerging opportunities in the defence and aerospace ecosystem.

BRSR Core Compliance

The Company has aligned its BRSR Core disclosures with Part B, Attribute 9 of the Industry Standards Note (Dec 2024) on BRSR Core, issued jointly by ASSOCHAM, CII, and FICCI in accordance with SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122. This ensures consistency with regulatory requirements under Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and reflects DCX’s commitment to transparent and responsible sustainability reporting.

BEYOND THE BLUEPRINT: PEOPLE, PURPOSE & PROGRESS AT DCX



“GREENER STEPS: WORLD ENVIRONMENT DAY 2025 CELEBRATION”

DCX SYSTEMS CAME TOGETHER TO CELEBRATE WORLD ENVIRONMENT DAY 2025 WITH ENTHUSIASM AND ECO-CONSCIOUS SPIRIT. THE EVENT FEATURED INTERACTIVE SESSIONS ON SUSTAINABILITY, GROUP PLANTING ACTIVITIES, AND REAFFIRMED THE TEAM'S COMMITMENT TO A GREENER FUTURE. IT WAS A MEANINGFUL OCCASION THAT BLENDED ENVIRONMENTAL AWARENESS WITH CORPORATE CULTURE.



“DCX-IAI ALLIANCE: SIGNING THE ELTA JV”

A LANDMARK MOMENT CAPTURED IN PHOTOS — THE OFFICIAL SIGNING CEREMONY FORMALISING THE DCX-IAI ELTA JOINT VENTURE. THIS STRATEGIC PARTNERSHIP MARKS A MILESTONE IN COLLABORATION, INNOVATION, AND THE VISION TO STRENGTHEN INDIA'S DEFENCE ECOSYSTEM THROUGH WORLD-CLASS AEROSPACE MANUFACTURING.



“SAFETY FIRST: EMERGENCY PREPAREDNESS DRILL”

SCENES FROM A COMPREHENSIVE EMERGENCY MOCK DRILL, DESIGNED TO TEST SAFETY PROTOCOLS AND RESPONSE READINESS. THE EVENT DEMONSTRATED DCX'S STEADFAST COMMITMENT TO ENSURING THAT TEAM MEMBERS ARE TRAINED, PREPARED, AND CONFIDENT IN MANAGING CRITICAL SITUATIONS.



“WELLNESS AT WORK: ANNUAL EMPLOYEE HEALTH CAMP”

SNAPSHOTS FROM THE ANNUAL HEALTH CHECKUP CAMP SHOWCASING DCX'S FOCUS ON EMPLOYEE WELL-BEING. FROM PREVENTIVE SCREENINGS TO HEALTH AWARENESS DRIVES, THE INITIATIVE REFLECTED HOW THE COMPANY PRIORITIZES A HEALTHY AND PRODUCTIVE WORKPLACE.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2024-25

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

1. **Corporate Identity Number (CIN) of the Listed Entity** – L31908KA2011PLC061686
2. **Name of the Listed Entity** – DCX Systems Limited
3. **Year of incorporation** – 2011
4. **Registered office address** – Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadasanahalli, Bengaluru Rural, 562110 KA, India
5. **Corporate address** – Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadasanahalli, Bengaluru Rural, 562110 KA, India
6. **E-mail** – cs@dcxindia.com
7. **Telephone** – +91 80 – 6711 9555
8. **Website** – www.dcxindia.com
9. **Financial year for which reporting is being done** – 2024-25
10. **Name of the Stock Exchange(s) where shares are listed:-**

Name of the Exchange	Stock Code
BSE Ltd.	543650
National Stock Exchange of India Ltd.	DCXINDIA

11. **Paid-up Capital** – 22,27,72,854.00
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** –
Mr. Gurumurthy Hegde
Company Secretary, Legal and Compliance Officer
Tel - +91 80-6711 9555
E-mail - cs@dcxindia.com
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).** –
The disclosures made under this report are made on a standalone basis for DCX Systems Limited.
14. **Name of assurance or assessment provider¹** – Not Applicable
15. **Type of assurance or assessment obtained²** – Not Applicable

1 The above disclosure is made as per the SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dt. 28th March 2025.

2 The above disclosure is made as per the SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dt. 28th March 2025.

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacture of Defence and Aerospace related Products	100.00

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/ Service	NIC Code	% of Turnover contributed
1.	System Integration Assemblies	27320	*Kindly refer the note below
2.	Cable and Wire Harness	27900	
3.	Kitting	27320	



*We operate with a single business segment, and all the products and services mentioned fall within this segment. (For internal data purpose we have bifurcated three product and services.) None of the individual product or services of the Company contributes more than 90% of the total turnover.

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	0	2
International	0	0	0

Note: DCX's Corporate Office operates within the Bengaluru SEZ Unit premises, with an additional plant/office set up in the Domestic Tariff Area (DTA) during FY 2024-25.

19. Markets served by the entity:

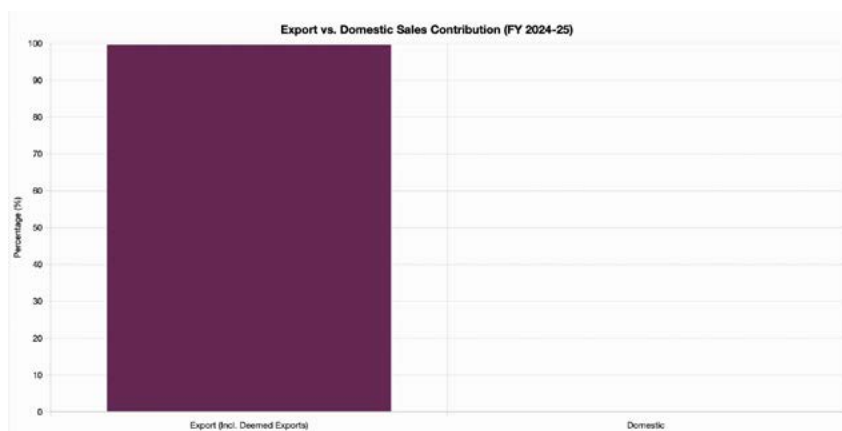
a. Number of locations

Locations	Number
National (No. of States & UTs)	1
International (No. of Countries)	3

International Markets Served- Israel, Korea, and the United States

b. What is the contribution of exports as a percentage of the total turnover of the entity?

99.44% (Including deemed exports. The Company is located in Special Economic Zone (SEZ) and hence, any supply or services to another Special Economic Zone (SEZ) or Export Oriented Unit (EOU) within India will amount to deemed export).

**c. A brief on types of customers:**

The Company caters to a broad spectrum of Original Equipment Manufacturers (OEMs) in both domestic and international markets, prioritizing the Defence and Aerospace sectors. Its clients are primarily based in Israel, India, Korea, and the United States. The Company fulfils specialized customer requirements by delivering value-added services, such as system integration, build-to-print solutions, and cable and wire harness offerings. By serving clients globally and locally, the Company has earned a reputation as a dependable partner in the Defence and Aerospace industry, utilizing its expertise, skilled workforce, superior products, and timely deliveries to meet the sector's essential needs.

IV. Employees**20. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	88	77	87.50	11	12.50
2.	Other than Permanent (Es)	0	0	0.00	0	0.00
3.	Total employees (D + E)	88	77	87.50	11	12.50
WORKERS						
4.	Permanent (F)	57	52	91.23	5	8.77
5.	Other than Permanent (G)	25	24	96.00	1	4.00
6.	Total workers (F + G)	82	76	92.68	6	7.32

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0.00	0	0.00
2.	Other than Permanent (E)	0	0	0.00	0	0.00
3.	Total differently abled employees (D + E)	0	0	0.00	0	0.00
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0.00	0	0.00
5.	Other than permanent (G)	0	0	0.00	0	0.00
6.	Total differently abled workers (F + G)	0	0	0.00	0	0.00

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	5	1	20.00
Key Management Personnel	9	0	0.00

22. Turnover rate for permanent employees and workers (in percent)

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.68	40.00	26.89	8.93	0.00	8.93	7.00	3.00	10.00
Permanent Workers	8.51	0.00	4.26	9.30	0.00	9.30	2.00	1.00	3.00

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Raneal Advanced Systems Private Limited	Subsidiary	100.00	No
2.	NIART Systems Limited (Israel)	Subsidiary	100.00	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) – 11,120.60 Million

(iii) Net worth (in ₹) – 11,541.78 Million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievance on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2024-25			FY 2023-24		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, for community grievances this link can be accessed: https://dcxindia.com/contact-us/						
Investors (other than shareholders)	Yes, for grievances from investors (other than shareholders) this link can be accessed: https://dcxindia.com/contact-us/						
Shareholders	Yes, for grievances from shareholders this link can be accessed: https://dcxindia.com/contact-us/ Further, the complaints can be raised at SEBI specified mechanism through: https://scores.sebi.gov.in/						
Employees and workers	For Employees and Workers Grievances, the Company has an established Code of Business Conduct & Ethics and Employee's Handbook which is available on the Company's Intranet						
Customers	Yes, for grievances from customers this link can be accessed: https://dcxindia.com/contact-us/						
Value Chain Partners	Yes, for grievances from Value Chain Partners this link can be accessed: https://dcxindia.com/contact-us/						

No Complaints or grievances received from any of the mentioned stakeholders for both the reporting years

26. Overview of the entity's material responsible business conduct issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications³



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	Risk	Energy is crucial for the Company in the aerospace and Defence manufacturing sector, with electricity being the primary expense, followed by purchased fuels. The specific energy sources, consumption levels, and management strategies vary based on the products manufactured. The energy mix, including on-site generation, grid electricity, and alternative energy, affects the cost and reliability of the energy supply. Consequently, this can influence the Company's cost structure and is an operational risk.	The Company recognizes the criticality of energy management in the aerospace and defence manufacturing sector, where electricity is the primary expense followed by purchased fuels. To address this, the Company is striving to manage its energy consumption effectively and reduce its environmental footprint. Efforts include planting trees, optimizing air conditioning usage, and exploring alternative energy sources to ensure a reliable and cost-effective energy supply. These initiatives are part of the Company's broader strategy to mitigate operational risks.	Negative * There was no negative financial impact in the reporting period of FY 24-25.

3 Material issues identified are referred from the Sustainability Accounting Standards Board (SASB) 2023-24 version. SASB Standards are maintained and enhanced by the International Sustainability Standards Board (ISSB). This follows the SASB's merger with the International Integrated Reporting Council (IIRC) into the Value Reporting Foundation (VRF) and subsequent consolidation into the IFRS® Foundation in 2022. The latest standards have been accessed at <https://sasb.ifrs.org/> on 14th April, 2025 at 11:108 IST

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Environmental Compliance	Risk	The aerospace and defence sector operates under strict environmental regulations due to the potential impacts of emissions, effluents, and waste generated during manufacturing processes. Non-compliance with these regulations may result in legal action, fines, or reputational damage. Environmental regulations are continuously evolving, and failing to meet these evolving standards can present operational and financial risks.	The Company stays informed about applicable environmental regulations at local, national, and international levels and incorporates compliance checks within its operational review process. Efforts are made to ensure that all environmental clearances, permits, and reporting requirements are diligently fulfilled. Additionally, periodic internal audits help assess compliance and identify areas for improvement.	Negative * There was no negative financial impact in the reporting period of FY 24-25.
3	Product Quality & Safety	Opportunity	Product Safety is critical for aerospace and Defence entities due to their significant role in aviation and military operations. The Company is a preferred Indian Offset Partner (IOP) for IAI Group, Israel, specializing in the Indian defense market and catering to foreign OEMs for classified products. The products are constructed according to the customers' design and specifications. Manufacturing and testing follow standard operating procedures using Automatic Testing Equipment (ATEs) supplied by the Original Equipment Manufacturers (OEMs), ensuring compliance with quality and safety standards.	Not Applicable	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Data Security	Risk	Given the aerospace and Defence industry's involvement in developing sensitive military and advanced aviation products, entities within this sector face a heightened risk of cyber-attacks. These attacks can target proprietary technologies, confidential military data, and critical infrastructure systems. Compromised information systems due to data security breaches can lead to significant costs, including financial losses, damage to reputation, legal liabilities, and loss of intellectual property. Moreover, such breaches can disrupt operations, jeopardize national security, and erode the trust of clients and government agencies.	The Company prioritizes data security due to its role in defence and aerospace manufacturing. To safeguard all aspects of data security, the Company has dedicated resources and established Standard Operating Procedures for information security, cyber-attacks, and data theft. Regular security audits and vulnerability assessments are conducted to identify and address potential weaknesses and associated risks. Implementing employee training programs on cybersecurity best practices is essential. Collaborating with cybersecurity experts and participating in information-sharing networks enhances threat intelligence. By taking these preventive measures, the Company aims to minimize the financial and reputational impacts of data breaches, ensuring system integrity, protecting client information, and maintaining customer trust.	Negative * There was no negative financial impact in the reporting period of FY 24-25.
5	Materials Sourcing & Efficiency of supply chain	Risk	Aerospace and defence entities encounter supply chain risks related to the use of critical materials in their products. These materials, which have limited or no substitutes, are often sourced from deposits concentrated in a few countries, making them vulnerable to geopolitical uncertainties. Additionally, increasing global demand from various sectors heightens competition, resulting in price hikes and supply risks. To mitigate the financial impacts of supply disruptions and fluctuating input prices, entities in this industry can explore alternative options and actively secure their supply chains to reduce reliance on critical materials.	To mitigate the supply chain risks associated with critical material sourcing, the Company has implemented strategic measures. It engages with pre-approved and vetted suppliers in accordance with OEM requirements. This approach, combined with established supply chain management, ensures that the Company is protected from delays or damage to materials needed for manufacturing, because of the well-planned schedules for timely deliveries. Building strong supplier relationships and implementing robust supply chain management practices, such as monitoring and early warning systems, further enhance resilience.	Negative * There was no negative financial impact in the reporting period of FY 24-25.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Business Ethics	Opportunity	Aerospace and defence entities operating in regions with robust business ethics laws may face regulatory scrutiny due to their operations and sales in areas with less stringent enforcement of such laws. Consequently, implementing strong governance practices can help mitigate the risk of breaching business ethics laws and facing regulatory penalties or negative impacts on brand value. To ensure effective governance and address pertinent issues, the Company has adopted and follows all applicable regulations and laws.	Not Applicable	Positive
7	Human Capital Management (Health, Safety & Employee Well-being)	Risk	In the high-precision aerospace and defence manufacturing industry, the health, safety, and well-being of employees especially at operational sites are critical. Any lapse in safety protocols could result in accidents, impacting employee morale, causing work stoppages, or triggering liabilities. This can also impact the Company's ability to attract and retain skilled talent.	The Company aims to maintain a safe and supportive work environment by fostering a culture of safety awareness, following standard operating procedures, and ensuring that proper safety gear and protocols are in place. Employee awareness is enhanced through regular briefings and checks. The Company also observes general best practices related to workforce well-being to mitigate health-related risks.	Negative * There was no negative financial impact in the reporting period of FY 24-25.
8	Digitalisation and Process Automation	Opportunity	The increasing adoption of digital technologies and process automation presents a significant opportunity for entities in the aerospace and defence sector. Embracing digital tools such as ERP systems, automated testing, smart warehousing, and predictive analytics can enhance operational efficiency, reduce downtime, improve quality control, and support data-driven decision-making. Such advancements contribute to improved productivity and long-term competitiveness.	Not Applicable	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Policies available at: https://dcxindia.com/investors/policies/ (Refer to the table below for individual policy web link)								

Sr. No.	Name of policy	Link to Policy	Which Principles each policies goes into
1	CSR Policy	https://dcxindia.com/wp-content/uploads/2022/04/1_CSR_Policy.pdf	P4, P8
2	Risk Management Policy	https://dcxindia.com/wp-content/uploads/2022/04/2_Risk_Management_Policy.pdf	P1, P2
3	Vigil Mechanism Policy	https://dcxindia.com/wp-content/uploads/2022/04/3_Vigil_Mechanism_Policy.pdf	P1
4	Whistle blowers operating guidelines	https://dcxindia.com/wp-content/uploads/2022/04/4_Whistle_Blower_Operating_Guidelines.pdf	P1
5	Remuneration Policy	https://dcxindia.com/wp-content/uploads/2022/04/5_Remuneration_Policy.pdf	P5
6	Code of Conduct	https://dcxindia.com/wp-content/uploads/2022/12/6_Code_of_Conduct_v2.pdf	P1, P7
7	Policy on Succession planning	https://dcxindia.com/wp-content/uploads/2022/04/8_Policy_on_Succession_Planning.pdf	P1, P3
8	Familiarization programme for Independent Directors	https://dcxindia.com/wp-content/uploads/2022/04/9_Familiarisation_Programme_for_Independent_Directors.pdf	P1
9	Policy on Board Diversity	https://dcxindia.com/wp-content/uploads/2022/04/10_Policy_on_Board_Diversity.pdf	P1
10	Code of Practices and procedures for Fair disclosures of unpublished and Price Sensitive Information	https://dcxindia.com/wp-content/uploads/2023/03/22.-code-of-practices-and-procedures-for-fair-disclosure-of-unpublished-price-sensitive-information.pdf	P1
11	Policy on preservation of documents and Archival Policy	https://dcxindia.com/wp-content/uploads/2022/04/11_Policy_on_Preservation_of_Documents_Archival_Policy.pdf	P1, P4
12	Policy on determination of Materiality of events	https://dcxindia.com/wp-content/uploads/2022/04/12_Policy_for_Determination_of_Materiality_of_Event_or_Information.pdf	P1
13	Materiality Policy	https://dcxindia.com/wp-content/uploads/2022/04/13_Materiality_Policy.pdf	P1
14	Material Subsidiaries	https://dcxindia.com/wp-content/uploads/2022/04/14_Material_Subsidiaries.pdf	P1, P4
15	Dividend Distribution Policy	https://dcxindia.com/wp-content/uploads/2022/04/15_Dividend_Distribution_Policy.pdf	P1

Sr. No.	Name of policy	Link to Policy	Which Principles each policies goes into	
16	Policy on Determination of Legitimate Purpose	https://dcxindia.com/wp-content/uploads/2022/04/16/Operating_Guidelines_for_determination_of_legitimate_purpose_under_the_SEBI_Insider_Trading_Regulations.pdf	P1	
17	Policy on Related Party Transactions	https://dcxindia.com/wp-content/uploads/2022/04/17/Policy_on_Related_Party_Transactions.pdf	P1, P7	
18	Anti-Bribery Anti- Corruption Policy	https://dcxindia.com/wp-content/uploads/2022/04/18/Anti_Bribery_Anti_Corruption_Policy.pdf	P5	
19	POSH Policy	https://dcxindia.com/wp-content/uploads/2024/08/POSH-Policy.pdf	P9	
20	Comprehensive-Cybersecurity Policy for DCX Systems	https://dcxindia.com/wp-content/uploads/2023/08/Comprehensive-Cybersecurity-Policy-for-DCX-Systems.pdf	P1	
21	Code Of Conduct To Regulate, Monitor And Report Trading In Securities Of The Company By Insiders	https://dcxindia.com/wp-content/uploads/2023/12/Code-of-Conduct-for-trading-securities-of-the-Company-by-Insiders.pdf	P3	
22	Occupational, Health and Safety Policy	Policy is present in the intranet	P3, P6	
23	Environmental, Health and Safety Procedure	Policy is present in the intranet	P2	
24	Store Management Procedure	Policy is present in the intranet	P2, P3	
25	Resource Planning and Control	Policy is present in the intranet	P1, P4	
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes Yes Yes Yes Yes Yes Yes Yes Yes		
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	No		
4.	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p>The Company has the following certifications in place: (Following certifications are applicable to the Aerospace SEZ unit only)</p> <ul style="list-style-type: none">Protection of Electrical and Electronic Parts, Assemblies and Equipment (Excluding Electrically Initiated Explosive Devices): ANSI ESD S20.20-2014Quality Management Systems- Requirement of Aviation, Space and Defence Organization: AS9100:2016Quality Management Systems: ISO 9001: 2015Certified IPC trainer: IPC/WHMA-A-620 <p>The Company has initiated certification process for ISO 14001, ISO 27001 and ISO 45001.</p>		

<p>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</p>	<p>To ensure continuous upgradation and timely renewal of certifications, the Company sets specific commitments, goals, and targets with defined timelines. These structured objectives serve as a comprehensive plan for tracking progress and achieving re-certification within predetermined time frames. By establishing clear timelines and milestones, the Company can systematically monitor and manage the certification process, ensuring that all necessary steps are completed on time.</p> <p>This approach promotes ongoing expertise development by encouraging employees to engage in continuous learning and skill enhancement. Regularly scheduled evaluations and assessments ensure that the workforce remains proficient and up-to-date with the latest industry standards and practices. Additionally, ensuring compliance with regulatory requirements enhances the Company's overall credibility and reliability in the market.</p>
<p>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</p>	<p>The Company has identified a set of long-term sustainability goals and objectives, which we diligently track on an annual basis. To support these objectives, we have developed a comprehensive action plan that encompasses various key components such as resource allocation, stakeholder engagement, performance measurement, and continuous improvement.</p> <p>The action plan ensures that resources are effectively allocated to the most critical areas, facilitating the achievement of sustainability targets. Engaging stakeholders is a crucial part of this strategy, ensuring that all parties are aligned and working collaboratively towards shared sustainability goals. Performance measurement mechanisms are put in place to monitor progress, identify areas for improvement, and ensure accountability. Continuous improvement processes are integrated into the plan to ensure that sustainability practices evolve and adapt over time, enhancing the effectiveness.</p>

Governance, leadership and oversight



- Dr. H S Raghavendra Rao
Chairman and Managing Director

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

I firmly believe that considering environmental, social and governance (ESG) factors is vital not only for ensuring the long-term prosperity of our business, but also for the overall health of our planet and society. We are committed to recognizing the impact of our operations on the environment, employees, local communities, and stakeholders. That is why we are dedicated to integrating ESG considerations into every aspect of our business strategy and decision making. DCX Systems prioritizes global environmental sustainability by actively reducing ecological impact and promotion of renewable energy and energy-efficient technologies to reduce greenhouse gas emissions. In addition, society recognizes the urgent need to deal with climate change.

Our success is closely linked to the well-being and growth of our employees, the communities we serve and society at large. We prioritize health and safety by ensuring a safe working environment and comprehensive implementation protocols. Our employees are our most valuable asset and we support diversity, equality and inclusion while encouraging their professional development and meaningful contribution to Company and society. We are firmly committed to the highest ethical standards in all our operations and in promoting transparency, integrity and responsibility. Strict compliance with applicable laws, regulations and international best practices followed. Our priority is to engage stakeholders to understand their expectations and concerns and to maintain openness in communication for mutual trust and cooperation. We have robust systems to identify, assess and manage risks related to ESG factors that ensure compliance with regulations and industry standards. By adopting ESG principles, DCX Systems strive to create long-term value for shareholders, employees, customers and society. Responsible decisions, innovation and technical expertise are used promote positive change and contribute to a sustainable future for generations to come.

- | | |
|--|---|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Dr. H S Raghavendra Rao
Chairman and Managing Director |
|--|---|

- | | |
|--|---|
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes, The Risk Management Committee plays a pivotal role in overseeing sustainability-related issues within the Company. This committee is tasked with evaluating potential risks and opportunities associated and providing well-informed recommendations to the Board for strategic decision-making. |
|--|---|

The members of the Risk Management Committee were as follows as on March 31, 2025:

1. Dr. H.S. Raghavendra Rao - Chairman
2. Mr. Prakash Nagabushan – Member
3. Mr. Kalyanasundaram Chandrasekaran - Member

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was under taken by Director /Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																	
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Board of Directors undertakes a periodic review of the Company's performance against the policies aligned with the NGRBCs.																		
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company strictly adheres to all legal and statutory standards and requirements, ensuring full compliance in all operational aspects. Notably, there have been no reports of non-compliance, underscoring the Company's commitment to regulatory adherence and ethical conduct.																		

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Dhir & Dhir Associates, an eminent law firm, conducted an in-depth analysis to evaluate the effectiveness and operationalization of the Company's policies. Their evaluation focused on assessing how well these policies were functioning in practice. Additionally, the policies undergo periodic review and revision by department and business heads to ensure they remain relevant and effective. These revisions are then authorized by the board or management.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									

Not Applicable

PRINCIPLE 1



Businesses should conduct and govern themselves with integrity,
and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Plant Visit to newly built manufacturing facilities at Domestic Tariff Area (DTA) unit of the Company and provided insights into the business operations to be carried out from that unit. Interaction with Senior Management of the Company to understand the business model/activities of the Company, future projects execution, business expansion program, segment diversion etc.	100.00
Key Managerial Personnel	4	Awareness on ESD (Electro-Static Discharge), AS-9100, Fire Fighting & Mock-drill training	100.00 (Production, Quality and Stores)
Employees other than BoD and KMPs	10	1. On Job Process Training 2. 5S* Training 3. QMS Process, Etc. 4. Fire Fighting & Mock-drill training	100.00 (Production, Quality and Stores)
Workers	15	1. On Job Process Training 2. 5S Training 3. Fire Fighting & Mock-drill training	100.00 (Production, Quality and Stores)

*5S training stands for Sort, Set in Order, Shine, Standardize, and Sustain. The Company has adopted this methodology that aims to improve efficiency and eliminate waste by organised work environment.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year (basis the materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Directors/ KMPs have not been subjected to any thresholds of the materiality policy to pay any fines, penalties, punishments, awards, compounding fees, or settlement amounts in the financial year.				
Settlement					
Compounding Fee					
Non-Monetary					
Imprisonment	The Company remained fully compliant during the reporting period with no monetary fines, penalties or sanctions imposed				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable, as no monetary or non-monetary fines, penalties or punishment were imposed on the Company	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company enforces a rigorous zero-tolerance approach to bribery and corruption. It is wholly committed to conducting all business activities and engagements with the highest degree of professionalism and ethical conduct. To ensure integrity across its operations, the Company is focused on establishing and maintaining a robust system to effectively deter and address any instances of bribery or corruption.

This commitment extends to full compliance with all applicable anti-bribery and anti-corruption regulations in every jurisdiction and market where the Company operates. The Anti-Bribery and Anti-Corruption Policy has been thoughtfully designed to provide a framework that ensures alignment with global anti-bribery and anti-corruption standards. This policy clearly outlines the expected standards of behavior for all employees, ensuring that everyone within the organization maintains exemplary ethical standards in their professional duties. The Company regards the prevention of bribery as a vital pillar of its corporate governance structure, acknowledging its critical significance.



URL of the Policy: https://dcxindia.com/wp-content/uploads/2022/04/18_Anti_Bribery_Anti_Corruption_Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25	FY 2023-24
Directors	Nil. No disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption against any of our Directors/ KMPs/ Employees/ Workers in the reporting year	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil.	No complaints were received in relation to issues of conflict of interest against any of our Directors or KMPs in the reporting year		
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable, since there were no such complaints raised in the reporting year.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:⁴

	FY 2024-25	FY 2023-24
Number of days of accounts payables	27.58	113.19

⁴ The above calculations are in accordance with Part B, Attribute 9 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

9. Open-ness of Business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:⁵

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from Trading houses as % of total purchases	0.00	0.00
	b. Number of trading houses where purchases and made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0.00	0.00
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	0.00	0.00
	b. Number of dealers/distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	0.00	0.00
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	21.44	35.34
	b. Sales (Sales to related parties/Total Sales)	37.43	0.01
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	81.44	48.27
	d. Investments (Investments in related parties/Total Investments made)	91.90	48.64

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topic/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) that were assessed
No awareness programmes were conducted for Value Chain Partners during the reporting year. However, DCX is actively exploring opportunities to develop and implement these programmes in the future.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If Yes, provide details of the same.

The Company has established a thorough Code of Conduct policy tailored to manage conflicts of interest involving Directors and Senior Management. This policy outlines precise guidelines and standards to direct the actions and decisions of individuals in these critical roles, ensuring their conduct aligns with the Company's ethical values and strategic goals.

Furthermore, the Company has created a comprehensive employee handbook that offers in-depth guidance on addressing conflicts of interest. This handbook details the procedures and expectations for all employees to avoid circumstances that might undermine their impartiality or commitment to the Company. By clearly specifying the measures to be followed and the standards to be maintained, the handbook enables employees to effectively handle potential conflicts of interest, upholding the organization's integrity and credibility.

⁵ The above calculations are in accordance with Part B, Attribute 9 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

PRINCIPLE 2

The background of the slide features a photograph of a person's hands holding a glowing lightbulb. Overlaid on this image is a network of hexagonal icons representing various sustainability themes: a factory, a battery, a globe, a tree, a lightbulb, a water drop, a gear with a recycling symbol, a house, a pie chart, a plug with a plant, and a world map. The top of the slide has a solid purple header, and the bottom has a solid purple footer. A horizontal bar with a pink-to-orange gradient is positioned above the footer text.

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2024-25	FY 2023-24	Details of Improvements in environmental and social impacts
R&D	No R&D investments has been done by the Company in both reporting year.		
Capex	The Company did not incur any Capex towards specific technologies aimed at improving the environmental and social impacts of its products and processes.		

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company has mandated its suppliers to adhere to the Terms and Conditions outlined in the Purchase Order (PO) and expects them to operate in accordance with sustainable business practices. These include maintaining a safe and healthy work environment, complying with applicable labour and human rights laws, and implementing robust environmental, health, and safety (EHS) policies that promote responsible and sustainable sourcing.

The Company follows a systematic sourcing process. Initially, the compatibility of potential vendors with the Company's requirements is assessed. Thereafter, suppliers undergo a detailed evaluation based on defined supplier assessment criteria. Engagement decisions are taken based on the evaluation ratings. Furthermore, all new suppliers are subject to thorough assessment prior to being included in the Company's Approved Vendor List (AVL).

- b. If yes, what percentage of inputs were sourced sustainably?**

The Company has well-established procedures for sustainable sourcing, with approximately 80% of our inputs being sustainably sourced.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

DCX Systems Ltd has established a well-defined process to implement the principles of **Reuse, Recycle, Rethink, and Reduce** across its operations, ensuring responsible waste management and environmental stewardship.

- (a) Metal & Plastic (including packaging materials):** All metal and plastic waste, including packaging materials, is disposed of through agencies authorized by the Pollution Control Board. This ensures full compliance with environmental regulations and significantly reduces the Company's ecological footprint.
- (b) E-waste:** Electronic waste generated by the Company is responsibly handed over to authorized agencies certified by the Pollution Control Board. This facilitates proper recycling and disposal, ensuring alignment with statutory environmental standards.
- (c) Hazardous Waste:** The Company follows a meticulous approach to managing hazardous waste. Such waste is appropriately classified and disposed of in strict adherence to local and national regulations. This ensures safe handling, treatment, and disposal in compliance with legal and safety norms.
- (d) Organic Waste (Food Waste):** Leftover food waste is utilized as fertilizer for agricultural land, thereby promoting organic recycling and contributing to sustainable farming practices.



4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

EPR is not applicable to the Company as per CPCB (Central Pollution Control Board)'s regulations considering the Company's Business operations

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
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Not Applicable, the Company has not conducted LCA for its products or services.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/ Service	Description of the risk/ concern	Action Taken
--------------------------	----------------------------------	--------------

Not Applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24

Nil

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed (MT)	Re-Used	Recycled	Safely Disposed (MT)
Plastics (including Packaging)			0.70			0.10
E-waste	Not Applicable		0.07	Not Applicable		0.00
Hazardous Waste			0.00			0.00
Other waste			3.93			14.57

Note: Under 'Other Waste' we have considered the following:

- Carton Box Waste
- Pallet Wood Waste
- Other General Scrap

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

Indicate product category	Reclaimed products and their packaging materials (as percentage of products sold) for each product category
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Not Applicable

“Building India’s Defence—Responsibly”



As a key Indian Offset Partner (IOP) to global defense OEMs like IAI Group (Israel), DCX delivers value-added system integration and harnesses a resilient supply chain. Their controlled vendor onboarding process with sustainability clauses and ISO/AS9100 compliance reflect ethical, efficient, and future-ready manufacturing.



PRINCIPLE 3

HEALTH
AND
SAFETY
AT
WORK

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	77	77	100.00	77	100.00	NA	0.00	0	0.00	0	0.00
Female	11	11	100.00	11	100.00	11	100.00	NA	0.00	0	0.00
Total	88	88	100.00	88	100.00	11*	100.00	0	0.00	0	0.00
Other than Permanent Employees											
Male	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00

*Percentage of (D) – Maternity benefit is calculated as 100% as per FAQ's on BRSR issued by NSE dt. May 10, 2024

b. Details of measures for the well-being of workers:

	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	52	52	100.00	52	100.00	NA	0.00	52	100.00	0	0.00
Female	5	5	100.00	5	100.00	5	100.00	NA	0.00	0	0.00
Total	57	57	100.00	57	100.00	5*	100.00	52	100.00	0	0.00
Other than Permanent Workers											
Male	24	24	100.00	24	100.00	NA	0.00	0	0.00	0	0.00
Female	1	1	100.00	1	100.00	1	100.00	0	0.00	0	0.00
Total	25	25	100.00	25	100.00	1	100.00	0	0.00	0	0.00

*Percentage of (D) – Maternity benefit is calculated as 100% as per FAQ's on BRSR issued by NSE dt. May 10, 2024

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:⁶

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the Company	0.0702	0.0028

⁶ The above calculations are in accordance with Part B, Attribute 5 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00	100.00	Y	100.00	100.00	Y
Gratuity	100.00	100.00	NA	100.00	100.00	NA
ESI*	100.00	100.00	Y	100.00	100.00	Y

*ESI is being provided to applicable employee/ worker

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes, to ensure that facilities are accessible to employees and workers with disabilities, the Company adheres to the requirements of "The Rights of Persons with Disabilities Act, 2016" (the Disabilities Act) by providing ramps, designated work areas, and accessible restrooms.



4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company has not yet formalized a specific policy but is diligently taking measures to ensure equal opportunities for all employees. It acknowledges the significance of fostering equal opportunities and cultivating an inclusive workplace environment. The Company is actively working on developing and implementing an equal opportunity policy that aligns with the requirements of the Disabilities Act.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100.00	100.00	100.00	100.00
Total	100.00	100.00	100.00	100.00

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has implemented a mechanism that allows all employees to access grievance registers, offering a platform to voice any concerns or issues they may encounter. The management prioritizes the swift and equitable resolution of these grievances, striving to address them in a cordial manner. Notably, the Company has not recorded any grievances from employees or workers to date.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	None of the Company's employees and workers are affiliated with any associations or unions in both financial years.					
Male						
Female						
Total Permanent Worker						
Male						
Female						

8. Details of training given to employees and workers:

	FY 2024-25					FY 2023-24				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	77	77	100.00	0	0.00	59	59	100.00	0	0.00
Female	11	11	100.00	0	0.00	8	8	100.00	0	0.00
Total	88	88	100.00	0	0.00	67	67	100.00	0	0.00
Workers										
Male	52	52	100.00	52	100.00	45	45	100.00	45	100.00
Female	5	5	100.00	5	100.00	2	2	100.00	2	100.00
Total	57	57	100.00	57	100.00	47	47	100.00	47	100.00

Note- the Numerical are basis all permanent employees and workers, excludes other than permanent workers

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	77	77	100.00	59	59	100.00
Female	11	11	100.00	8	8	100.00
Total	88	88	100.00	67	67	100.00
Workers						
Male	52	52	100.00	45	45	100.00
Female	5	5	100.00	2	2	100.00
Total	57	57	100.00	47	47	100.00

Note- the Numerical are basis all permanent workers, excludes other than permanent workers

10. Health and safety management system:**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, the Company maintains a robust occupational health and safety management system. This system thoroughly encompasses various facets of workplace health and safety. It includes mechanisms for recognizing and evaluating risks, formulating and executing policies and procedures, conducting regular training and awareness programs, establishing protocols for incident reporting and investigation, and promoting ongoing improvement. The system is designed to foster a secure and healthy workplace, safeguard employee well-being, and ensure adherence to occupational health and safety regulations. Through this system, the Company underscores its dedication to prioritizing employee health and safety while upholding a responsible and consistent approach to occupational health and safety management.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company employs several strategies to identify work-related hazards effectively:

Regular Reviews and Assessments: The Company conducts periodic evaluations and reviews for employees handling hazardous materials to ensure their safety knowledge and practices remain current. This proactive strategy helps detect any deficiencies in safety protocols and enables prompt corrective measures to be implemented.

Hazardous Material Storage: The Company maintains a designated storage area for hazardous materials, clearly labeled and equipped with Material Safety Data Sheets (MSDS) for all such substances. These sheets provide essential details, including the Date of Manufacturing (DOM) and Date of Expiry (DOE), to support safe handling and effective management of hazardous materials.

Personal Protective Equipment: The Company emphasizes employee safety by supplying Personal Protective Equipment (PPE), such as aprons, safety glasses, gloves, masks, and safety shoes. Additionally, employees receive Electrostatic Device (ESD) slippers to reduce the risk of static discharge. By providing this protective equipment, the Company significantly reduces the likelihood of workplace accidents and injuries related to hazardous material handling.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company is actively working toward adopting ISO 14001 and ISO 45001 standards, which provide frameworks for identifying and managing work-related hazards in manufacturing processes. These standards will steer the Company in handling hazardous activities, such as soldering, potting, and conformal coating, and will incorporate procedures for employees to report hazards and safely withdraw from such risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company ensures that employees and workers have access to non-occupational medical and healthcare services. It offers free health check-ups to support their physical and mental well-being, enabling them to perform optimally for the Company and its stakeholders. Furthermore, the Company requires its vendors to implement comparable health measures to maintain a safe and reliable supply chain with minimal interruptions. The Company has also upgraded its transportation and security systems to provide enhanced protection for employees and workers during work-related travel.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	No safety related incidents occurred in both financial years.	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company places a high priority on employee health and well-being, conducting regular first aid and fire safety training programs. It is committed to maintaining and overseeing fire prevention equipment, ensuring fire extinguishers are refilled on schedule, emergency evacuation route maps are clearly displayed, and mock drills are carried out. Furthermore, health and safety practice posters are prominently placed in work areas, providing employees with a visual guide to adhere to established safety protocols.



WORKPLACE SAFETY

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	There were no complaints regarding working conditions and health & Safety in both financial years.					
Health & Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	The Company has not conducted any assessment, for the mentioned matters in the Financial Year 24-25.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable, as no such safety-related incidents occurred during the reporting year.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

The Company has not yet implemented a specific life insurance or compensation package. Nonetheless, it recognizes the critical importance of providing support in such unfortunate situations and is open to exploring the development of such packages in the future.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company guarantees prompt payment of contractor invoices through a meticulous verification procedure. Prior to processing payments, it confirms that all necessary legal fees have been submitted to the appropriate authorities. This verification is conducted by thoroughly reviewing the deposit or remittance Challans alongside the invoice.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	Not Applicable, as no work-related injury occurred to any employees/workers in both reporting years.			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No, the Company has not yet implemented transition assistance programs to support ongoing employability or manage career transitions due to retirement or termination.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable, as no assessments were conducted

“People First, Always”



At DCX, human capital is the core of precision manufacturing. The Company ensures 100% health and accident insurance, PF & ESI coverage, maternity benefits, and safe workspaces for all employees and workers—permanent and contractual alike. Training modules, performance reviews, and skill-building programs are integrated across levels, with 100% coverage for health and safety. With zero recorded incidents, and zero worker grievances, DCX exemplifies what it means to invest in a safe, compliant, and empowered workforce.





“TEAM SPIRIT UNLEASHED: ANNUAL SPORTS DAY 2024”

DYNAMIC IMAGES FROM THE 2024 SPORTS DAY — FULL OF ENERGY, EXCITEMENT, AND COMPETITIVE CAMARADERIE. EMPLOYEES PARTICIPATED IN A RANGE OF ATHLETIC EVENTS, REINFORCING TEAM BONDING, PHYSICAL FITNESS, AND A CULTURE OF FUN AND HEALTHY COMPETITION.



PRINCIPLE 4



Businesses should respect the interests of and be responsive to all
its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company regularly engages and communicates with key stakeholders, including investors, customers, suppliers, and employees. Its management team proactively interacts with these groups to foster robust relationships and gain meaningful insights. Furthermore, the Company has set up a dedicated committee for risk management and corporate social responsibility (CSR), tasked with overseeing and reporting on the progress of initiatives addressing economic, environmental, and social matters.



2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Plant Visits, Meetings, personal visits, E-Mail	Regular	Feedback of Products, Updates/ requirement for improvement if any, Customer trust and satisfaction, Timely and efficient redressal of complaints
Suppliers	No	Suppliers Meetings, E-Mail	Frequent	Fair and accountable supply chain practices
Employees	No	E Mail, Notice Board, workshops, One-on-One interactions	Regular	Compensation structure, providing a safety culture and inculcating healthy and safe work practices and work conditions among employees, Ongoing desire for more flexible working hours, Improving Diversity and Inclusion, Incidents and grievance redressal, Information on Company activities
Investors (Other than Shareholders)	No	Investor Meet, E Mail, Website	Periodic, Quarterly	Financial Performance of the Company
Shareholders	No	General Meetings, E-Mail, Website, Newspaper Publications, Annual Report	Annually/As and when required	Financial and non- financial (ESG) Performance of the Company, Shareholder Return, Effective Corporate Governance
Government and Regulatory Bodies	No	E-Mail, Letters, Meeting	Need Based	To ensure compliance of applicable statutory laws and regulations, Positive environmental and social impact of business
Communities	Yes	In person meetings, E-mails	Need Based	The Company interacts with the Communities through its CSR Activities

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company actively maintains ongoing communication and interaction with key stakeholders, such as investors, customers, suppliers, and employees. Its management acknowledges the significance of building strong relationships with these groups and values their contributions. To promote robust governance and address relevant concerns, the Company has set up specialized committees for Risk Management and Corporate Social Responsibility (CSR). These committees regularly report to the Board of Directors on the progress of initiatives concerning economic, environmental, and social matters.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company prioritizes maintaining consistent and forward-looking engagement with its key stakeholders. Such active involvement allows the Company to efficiently design and execute strategies concerning Environmental, Social, and Governance (ESG) initiatives, while also upholding transparency in disclosing results. In line with prevailing regulations and informed by stakeholder interactions, the Company regularly assesses and revises its policies whenever required.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

The Company maintains active communication with its stakeholders through multiple channels and undertakes various initiatives to foster meaningful interaction. Engagement is facilitated through measures such as feedback mechanisms, Code of Conduct orientations, and investor meetings.

“Voices That Shape Value”



Through multi-channel stakeholder engagement—customers, suppliers, communities, regulators—DCX cultivates trust and transparency. The Risk Management & CSR Committees feed insights directly to the Board, fostering collaborative sustainability decisions that are both inclusive and strategic.



PRINCIPLE 5

HUMAN RIGHTS



Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	88	88	100.00	67	67	100.00
Other than permanent	0	0	0.00	0	0	0.00
Total Employees	88	88	100.00	67	67	100.00
Workers						
Permanent	57	57	100.00	47	47	100.00
Other than permanent	25	25	100.00	23	23	100.00
Total Workers	82	82	100.00	70	70	100.00

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	88	0	0.00	88	100.00	67	0	0.00	67	100.00
Male	77	0	0.00	77	100.00	59	0	0.00	59	100.00
Female	11	0	0.00	11	100.00	8	0	0.00	8	100.00
Other than Permanent	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Male	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Workers										
Permanent	57	0	0.00	57	100.00	47	0	0.00	47	100.00
Male	52	0	0.00	52	100.00	45	0	0.00	45	100.00
Female	5	0	0.00	5	100.00	2	0	0.00	2	100.00
Other than Permanent	25	0	0.00	25	100.00	23	0	0.00	23	100.00
Male	24	0	0.00	24	100.00	21	0	0.00	21	100.00
Female	1	0	0.00	1	100.00	2	0	0.00	2	100.00

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ Salary/ Wages of respective category	Number	Median remuneration/ Salary/ Wages of respective category
Board of Directors (BoD)	3	59,60,500	0	-
Key Managerial Personnel	7	21,83,965	0	-
Employees other than BoD and KMP	76	4,57,356	15	3,30,502
Workers	51	4,21,035	5	2,58,496

* Executive Director cum CFO/KMP are excluded from the calculation of median remuneration of KMPs.

** Only those Board of Directors (BODs) who were drawing remuneration have been considered for the numerical count.

*** Independent Directors' sitting fees have been excluded from this calculation under BODs.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format: 7

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	4.38	3.32

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has appointed the Head of HR (Human Resources) to take charge of overseeing human rights matters within the organization. This responsibility encompasses a range of HR functions, including recruitment, employee relations, and training and development. The HR head plays a vital role in ensuring the effective management of the workforce and in addressing employee needs and concerns.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

The Company upholds respect for human rights as a fundamental part of its core values. It is deeply committed to promoting, protecting, and advancing these rights through its business operations and employment practices, with a strong foundation in fairness, integrity, and ethical conduct. Emphasizing the importance of a safe, inclusive, and respectful work environment, the Company strives to create a culture where every individual feels secure and valued. To further reinforce this commitment, the Company has also established a Vigil Mechanism, enabling stakeholders to confidentially raise concerns regarding any unethical or inappropriate behaviour. [Link to Policy](#).

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other Human Rights related issues						

Nil. No complaints were raised with regards to the human rights issues in both reporting years.

7 The above calculations are in accordance with Part B, Attribute 6 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:⁸

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)		
Complaints on POSH as a % of female employees / workers		Not Applicable
Complaints on POSH upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company is dedicated to fostering equal opportunities for all individuals and firmly stands against any form of discrimination or harassment based on protected characteristics such as race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identity and expression (including transgender identity), political opinion, medical condition, language, and other factors outlined under applicable law. To uphold inclusivity and diversity, the Company has adopted a Policy against Workplace Sexual Harassment, a Business Conduct and Ethics Policy, and a Vigilance Mechanism. These policies are designed to ensure that the Company continues to be an inclusive employer that values and respects diversity across various dimensions, including gender identity, disability, caste, creed, colour, religion, marital status, age, sexual orientation, expression, health status, language, and other relevant attributes. The overarching goal is to nurture an open and inclusive environment for all stakeholders, with a clear emphasis on zero tolerance toward any form of discrimination.

9. Do human rights requirements form part of your business agreements and contracts?

Yes, human rights requirements have been integrated into business agreements and Company contracts where applicable. The Company acknowledges the significance of embedding human rights considerations within its contractual and business relationships.

10. Assessments for the year:

	% of your plants and Offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	
Forced/involuntary labour	
Sexual Harassment	Not Assessed for the reporting year
Discrimination at workplace	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant risks or concerns were identified from the assessments referenced in Question 9; therefore, this point is not applicable.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints

As no grievances or complaints related to human rights have been reported within the Company, the specific point concerning human rights is not applicable. This indicates that there have been no known instances or concerns regarding human rights violations or infringements within the organization.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company does not currently conduct human rights due diligence. However, it remains open to evaluating its relevance and considering its implementation in the coming years.

⁸ The above calculations are in accordance with Part B, Attribute 6 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the Company complies with the provisions of the Rights of Persons with Disabilities Act, 2016, in its efforts to make facilities accessible to differently-abled employees, workers, and visitors. This includes the provision of ramp access, appropriately designed work areas, and restrooms to ensure ease of access and inclusivity.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Not Assessed for the reporting year
Discrimination at workplace	
Child Labour	
Forced Labour / Involuntary Labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

“Dignity at the Core”



Operating in the highly regulated and sensitive defense sector, DCX upholds zero tolerance toward discrimination, harassment, forced labour, or child labour. With human rights trainings conducted for 100% of employees and workers, and robust internal mechanisms (POSH Policy, Whistleblower Mechanism, Business Conduct & Ethics), the Company ensures freedom, fairness, and dignity across all touchpoints. Its leadership in ethical employment practices and policy inclusiveness strengthens its alignment with global human rights frameworks and national mandates alike.



PRINCIPLE 6



Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

Note- the Company established a new unit in the Domestic Tariff Area (DTA) during FY 2024–25, operational activities at this facility commenced only in FY 2025–26. Accordingly, data for Principle 6 pertaining to this premises will be captured and reported from FY 2025–26 onwards.

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:⁹

Parameter	FY 2024-25 (In Megajoules)	FY 2023-24 (In Megajoules)
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total Energy consumption from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (D)	1,310.83	1,049.90
Total fuel consumption (E)	304.92	194.44
Energy consumption through other sources (F)	-	-
Total Energy consumption from non-renewable sources (D+E+F)	1,615.75	1,244.35
Total energy consumed (A+B+C+D+E+F)	1,615.75	1,244.35
Energy intensity per rupee of turnover (Total energy consumption/ Revenue from Operations)	0.00000015	0.000000087
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)¹⁰ (Total energy consumed / Revenue from operations adjusted for PPP)	0.00000030	0.00000020
Energy intensity in terms of physical output¹¹	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- Independent assessments are not conducted, instead, all necessary Statutory and Internal Inspections/Audits are conducted periodically.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

The facilities at DCX Systems Ltd. do not fall under the scope of the Perform, Achieve and Trade (PAT) Scheme launched by the Government of India.

9 The above calculations are in accordance with Part B, Attribute 3 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

10 The above calculations are in accordance with Part A, Section 1(I) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

11 The above calculations are in accordance with Part A, Section 1(II) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

3. Provide details of the following disclosures related to water, in the following format:¹²

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	1,925.10	2,790.00
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,925.10	2,790.00
Total volume of water consumption (in kilolitres)	232.10	280.00
Water intensity per rupee of turnover (Water consumed / Revenue from operations)	0.000000021	0.00000002
Water Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ¹³	0.00000043	0.00000044
(Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output ^{14*}	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No external review or analysis has been conducted to evaluate different aspects of our operations, performance, or compliance with standards or regulations.

* The Company has not quantified their production output in specific units for either of the reporting years

For FY 24-25 and FY 23-24, water consumption has been calculated on the basis on the difference between water withdrawal and water discharge.

12 The above calculations are in accordance with Part B, Attribute 2 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

13 The above calculations are in accordance with Part A, Section 1(I) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

14 The above calculations are in accordance with Part A, Section 1(II) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

4. Provide the following details related to water discharged

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	1,693.00	2,510.00
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	1,693.00	2,510.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- Independent assessments are not conducted, instead, all necessary Statutory and Internal Inspections/Audits are conducted periodically.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

At present, the Company has not yet implemented Zero Liquid Discharge (ZLD) practices. However, understanding the critical importance of sustainable water management, the Company acknowledges that adopting ZLD can play a significant role in reducing its environmental footprint. By minimizing water pollution and conserving water resources, ZLD can greatly contribute to environmental sustainability.

Implementing ZLD involves the comprehensive treatment and recycling of wastewater generated during the Company's operations. This process ensures that all wastewater is effectively treated and reused, preventing any discharge into the environment. Such a practice not only helps in conserving valuable water resources but also aligns with the Company's commitment to reducing its overall environmental impact.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	Kg	The Company has initiated air quality analysis (other than GHG quantification) from April 2025 through an authorized vendor. A corresponding disclosure statement will be included accordingly	
SOx	Kg		
Particulate matter (PM)	Kg		
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No external review or independent analysis has been conducted to evaluate our operations, performance, or compliance with applicable standards and regulations.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:¹⁵

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	45.08	46.21
Total Scope 2 emissions ¹⁶ (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	352.83	239.14
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent/ Rupees	0.000000036	0.00000002
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) ¹⁷ (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO ₂ equivalent/ Rupees	0.00000074	0.00000045
Total Scope 1 and Scope 2 emissions intensity in terms of physical output ¹⁸	Metric tonnes of CO ₂ equivalent/ Kg	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- Independent assessments are not conducted, instead, all necessary Statutory and Internal Inspections/Audits are conducted periodically.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, the Company has implemented projects aimed at reducing greenhouse gas emissions. These initiatives include promoting the sustainable use of air conditioning, obtaining certifications for diesel generators (DG), planting saplings, and supplying treated wastewater directly to farmers for agricultural use.

The Company has switched from normal fluorescent tube lights to Energy-efficient LED Light. To reduce non-essential electricity usage, we manually turn off all the electronic equipment after working hours, which has resulted in reduction in electricity consumption. These efforts not only help in mitigating greenhouse gas emissions but also contribute to sustainable farming practices and environmental conservation.



15 The above calculations are in accordance with Part B, Attribute 1 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

16 The above calculations as per the updated emission factors provided in the CO Baseline Database for the Indian Power Sector – User Guide, Version 20.0, December 2024, published by the Central Electricity Authority, Ministry of Power, Government of India.

17 The above calculations are in accordance with Part A, Section 1(I) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

18 The above calculations are in accordance with Part A, Section 1(II) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

9. Provide details related to waste management by the entity, in the following format:¹⁹

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.70	0.10
E-waste (B)	0.07	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please Specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Carton Box Waste – 2.13 Pallet Wood Waste – 0.97 Metal – 0.83 Other General Scrap/ Food Waste- 0.01	3.94	14.57
Total (A+B + C + D + E + F + G + H)	4.71	14.66
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000000042	0.0000000010
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ²⁰ (Total waste generated / Revenue from operations adjusted for PPP)	0.0000000088	0.0000000023
Waste intensity in terms of physical output ²¹	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	The Company did not recover any waste in both reporting years.	
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste – Plastic waste, E-waste and Other than Non-Hazardous Waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	4.71	14.66
Total	4.71	14.66

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- There hasn't been an external review or analysis conducted to assess various aspects of our operations, performance, or compliance with standards or regulations but instead, all necessary Statutory and Internal Inspections/Audits are conducted periodically by internal team.

- 19 The above calculations are in accordance with Part B, Attribute 4 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.
- 20 The above calculations are in accordance with Part A, Section 1(I) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.
- 21 The above calculations are in accordance with Part A, Section 1(II) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

DCX is committed to reducing waste generation by promoting responsible behaviors. We ensure that all waste from our activities adheres to the 3R approach—Reduce, Recover, and Reuse—to minimize hazardous waste production. Our facility is equipped with clearly marked segregated bins for different waste streams. Waste is segregated, stored, and transported which are collected and processed by vendors authorized by the Pollution Control Board, ensuring compliance with environmental regulations. To manage liquid waste, our infrastructure includes secondary containment trays, and we are fully prepared for any contingencies with spill kits on hand to address potential spills swiftly and efficiently.



Non-hazardous waste, including paper, wood, and e-waste, other waste is managed with the same commitment to sustainability. Our strategic goal is to eliminate or reduce waste generation and prioritize reuse and recycling wherever feasible to divert waste from disposal.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Types of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The Company does not operate in/around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Serial Number	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken, if any action
The Company complies fully with all applicable environmental laws, regulations, and guidelines in India. There have been no instances of noncompliance, and no penalties, fines, or actions have been imposed by any regulatory authorities or agencies.				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area : Not Applicable
- (ii) Nature of operations : Not Applicable

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		Not Applicable
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		Not Applicable
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- Not Applicable for this parameter

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	The Company has commenced quantification of air quality data (other than GHG emissions) from April 2025. With this, the reporting for the current year will also include Scope 3 emission data.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No external review or analysis has been conducted to evaluate different aspects of our operations, performance, or compliance with standards or regulations.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

The Company avoids operating in environmentally fragile or ecologically sensitive areas. This strategic choice reflects its commitment to responsible business conduct and environmental stewardship by preventing harm to vulnerable ecosystems. By intentionally selecting sites outside ecologically sensitive regions, the Company strives to reduce its environmental footprint and support the conservation of biodiversity and natural habitats.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	Yes, the Company has undertaken projects focused on lowering greenhouse gas emissions. These efforts include encouraging sustainable air conditioning practices, securing certifications for diesel generators (DG), planting trees, and providing treated wastewater directly to farmers for agricultural purposes. These initiatives not only help reduce greenhouse gas emissions but also promote sustainable agriculture and environmental conservation.		

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company implements a comprehensive set of strategies to safeguard its operations and ensure resilience against potential disruptions. This approach includes conducting thorough risk assessments, developing robust contingency plans, and abolishing redundant systems to mitigate operational risks. Employees are trained extensively, and regular drills are conducted to test the effectiveness of these plans. The Company prioritizes maintaining essential functions, minimizing downtime, and responding swiftly to crisis, ensuring the continuity of critical operations and services for customers and stakeholders. In addition, the Company actively engages with key stakeholders, suppliers, and partners to foster a collaborative approach to disaster management. Regular reviews and updates of the continuity and disaster management plans, incorporating lessons learned from past incidents, underscore the Company's commitment to continuously enhancing its business continuity and disaster management capabilities.



6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

During the reporting period, the Company did not encounter any significant adverse environmental impact arising from its value chain. Hence, no specific mitigation or adaptation measures were required in this regard.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

This is a subset of above question. Therefor the same is, not applicable.

8. **How many Green Credits have been generated or procured²²:**

- By the listed entity – Nil
- By the top ten (in terms of value of purchases and sales, respectively) value chain partners - Nil

22 The above disclosure is made as per the SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dt. 28th March 2025.

“Precision Meets Sustainability”



DCX has adopted robust hazardous waste management protocols, sustainable sourcing (80% inputs), and has initiated ISO 14001 and ISO 45001 certification processes. Their initiatives—ranging from E-waste segregation to zero food waste composting—signal a strong environmental ethos embedded within a precision-driven industry.



PRINCIPLE 7

PUBLIC POLICY

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1.

a) Number of affiliations with trade and industry chambers/ associations.

The Company is affiliated with 1 (One) trade and industry chambers/associations.

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Society Of Indian Aerospace Technologies and Industries (SIATI)	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective active taken
There have been no instances of anti-competitive conduct or adverse orders from regulatory authorities against the Company during the reporting period, and hence, no corrective actions were required.		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, If available
The Company has not undertaken any advocacy of public policy positions during the reporting period.					

“Shaping Policy Through Strategic Affiliations”



DCX Systems leverages its membership in key industry body such as the Society of Indian Defence Manufacturers (SIDM) to contribute meaningfully to the national dialogue on defense, aerospace, and electronics manufacturing policy. Through these affiliations, DCX engages responsibly in advocacy, shares sectoral insights, and collaborates on forward-looking regulatory frameworks.



PRINCIPLE 8



Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and Brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
Not Applicable, as the Company has not initiated any projects that require conducting a Social Impact Assessment (SIA).					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has established multiple mechanisms to receive and address grievances from its diverse stakeholder groups. A dedicated Register of Grievances is maintained by the Human Resources (HR) department, specifically to document and resolve concerns raised by members of the community. In addition, the Company has implemented a comprehensive Whistle-blower Policy, which provides a formal channel for all stakeholders—including employees, vendors, and external parties—to confidentially report grievances or unethical conduct. This policy reflects the Company's commitment to transparency, accountability, and stakeholder engagement. The Whistle-blower Policy is publicly accessible on the Company's website at: <https://dcxindia.com/investors/policies/>

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:²³

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	0.02	9.07
Directly from within India	26.09	61.84

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost²⁴

Location	FY 2024-25	FY 2023-24
Rural		Nil
Semi-Urban		
Urban	100.00	
Metropolitan		Nil

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

²³ The above calculations are in accordance with Part B, Attribute 7 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

²⁴ The above calculations are in accordance with Part B, Attribute 7 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No	State	Aspirational District	Amount spent (In INR)
The Company has no ongoing projects in any of the aspirational district			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, the Company does not have a preferential purchasing policy favouring suppliers from marginalized or vulnerable groups. Instead, it follows a sourcing policy focused on criteria such as features, quality, cost, and capabilities as recommended by the OEMs. Procurement strictly adheres to the pre-approved list of suppliers provided by the OEMs, given that the manufactured products are supplied to the defence and aerospace sector.

- (b) From which marginalized /vulnerable groups do you procure?

Not applicable, in line with the answer mentioned in 3(a)

- (c) What percentage of total procurement (by value) does it constitute?

Not applicable, in line with the answer mentioned in 3(a)

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
The Company, as a built-to-print manufacturer and system integrator, does not hold any Intellectual Property Rights (IPR) for the products it manufactures. Its primary focus is on producing Electro-Mechanical modules according to the specifications of Original Equipment Manufacturers (OEMs), along with providing value-added services.				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective Action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Jagadguru Sri Shivarathreeswara Mahavidyapeetha	The Company is committed to the welfare of children, underprivileged individuals, and the broader community. It undertakes various efforts through its CSR initiatives and projects aimed at supporting and enhancing the ecosystem.	The Company's CSR activities embody its commitment to fostering a better and more sustainable society. During the year, the CSR funds were directed towards supporting education for children, facilitating higher education for differently-abled children, and aiding Vrudhashramas for underprivileged individuals. These initiatives have positively impacted a significant number of people, including vulnerable and marginalized groups, though the exact number is difficult to quantify.
2	Sanmitra Trust		
3	Shree Ganesh Seva Trust for Exceptional Persons		

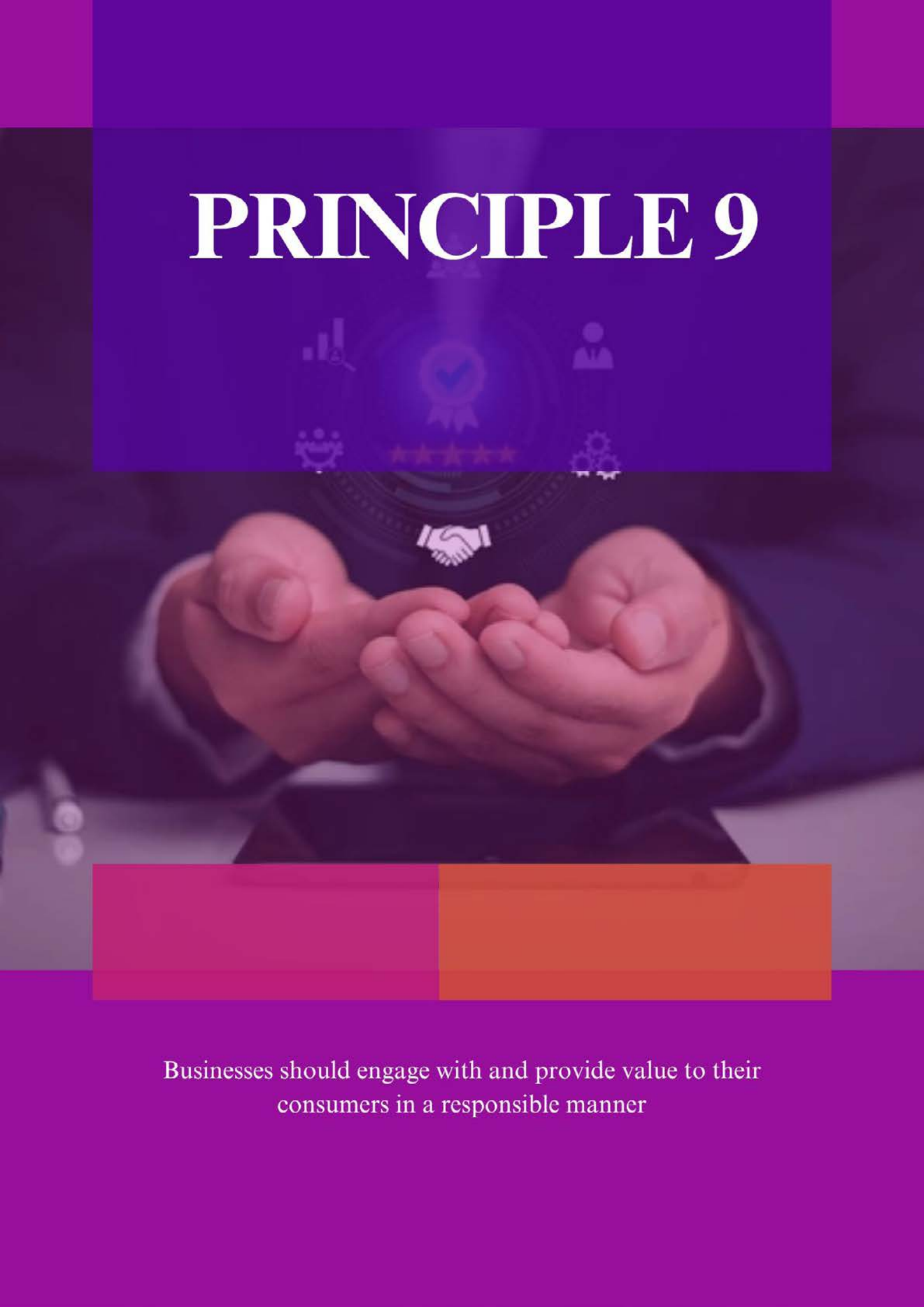
“Cyber Fortified for the Future”



Operating in a high-security domain, DCX has institutionalized a Comprehensive Cybersecurity Policy, with SOPs, regular audits, vulnerability assessments, and employee sensitization. This proactive defense against cyber threats highlights DCX’s commitment to securing critical infrastructure, fostering digital trust, and preserving national and client data integrity.



PRINCIPLE 9



Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has implemented a robust Quality Management System in compliance with AS 9100 standards. All customer feedback and complaints, if any, are addressed promptly and effectively in accordance with well-defined procedures and processes.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover

Environmental and social parameters relevant to the product

Safe and responsible usage

Not Applicable

Recycling and/or safe disposal

3. Number of consumer complaints in respect of the following:

	FY 2024-25			FY 2023-24		
	Received during the Year	Pending resolution at end of year	Remarks	Received during the Year	Pending resolution at end of year	Remarks
Data Privacy						
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						
Total						

Nil. No such complaints received in both reporting years.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		

Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

Yes, the Company recognizes the critical importance of maintaining confidentiality in its operations. To safeguard its information and data, it has implemented a comprehensive Cyber Security Policy available on the internal portal. This policy sets forth guidelines and measures to be adhered to across the organization, providing a framework to protect sensitive information, prevent unauthorized access or breaches, and mitigate cyber threats. By adhering to this policy, the Company prioritizes operational confidentiality and ensures its data remains secure from unauthorized disclosure or misuse.



6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

7. Provide the following information relating to data breaches:**a. Number of instances of data breaches**

Nil

b. Percentage of data breaches involving personally identifiable information of customers²⁵

Nil

c. Impact, if any, of the data breaches

Not Applicable

Leadership Indicators**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information about the products and services offered by the Company is accessible through multiple channels and platforms. Comprehensive details can be found on the Company's official website at <https://www.dcxindia.com>.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Since the Company supplies its products directly to Original Equipment Manufacturers (OEMs), who then assemble and deliver them to end customers, the Company's capacity to directly inform and educate end users about the safe and responsible use of its products is limited. Consequently, the Company faces challenges in directly reaching end users to offer information and guidance on the proper and responsible use of its products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company has established contingency plans to manage potential risks arising from the disruption or cancellation of critical services. With a strong focus on quality and customer service, the team proactively identifies issues before they escalate and collaborates with customers to develop mutually beneficial solutions. Additionally, the Company maintains an actively updated website that provides stakeholders with timely information on important news and events.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Given the Company's obligation to maintain confidentiality in the defence and aviation sectors, which involve national security, it limits the display of product information to only what is mandated by applicable laws.

²⁵ The above calculations are in accordance with Part B, Attribute 8 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122.

ANNEXURE-9

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages fairness, transparency, accountability, reliability, credibility and equity in all facets of its operation and its interaction with its stakeholders.

The Company's governance practices reflect values, and its Code of Conduct provides a necessary framework in running the business with the highest standards, enabling the Company to fulfil its legal, financial and ethical objectives towards its stakeholders. The Company has adopted a Code of Conduct for its Directors and Senior Management which encompasses an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. The Company discloses information regarding its financial position, performance and other vital matters with fairness and transparency on a timely basis, keeping in mind the regulatory requirements stipulated under the various laws applicable to the Company.

I. BOARD OF DIRECTORS:

A. Composition of the Board and category of Directors ("BOARD")

The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 2013, ("the Act") and regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), wherever applicable and as amended from time to time.

As on March 31, 2025, the Company has 6 (Six) Directors out of which 3 (Three) Executive Directors and 3 (Three) Non - Executive Independent Directors, out of which 1 (One) Women Independent Director. The Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Act. The Directors of the Company are persons of eminence having vast and varied experience in Strategic Thinking, Planning and Business Management, Entrepreneurial and Leadership Skills, Marketing and Branding, Financial Management, Global Exposure, Defence Industry Expertise, Governance and Regulatory Compliance.

The composition of the Board, Directorship and Committee positions as on March 31, 2025 is as under:

Table 1: Composition of the Board of Directors

Name of the Director	Category	Attendance particulars			No. of Directorships and Committee Memberships / Chairmanships in Indian Companies as on March 31, 2025			Directorship in other listed entity (Category of Directorship)
		Number of Board Meetings Held	Attended	13 th AGM Held on 26.09.2024	Directorship(s)	Committee Memberships	Committee Chairmanships	
Dr. H S Raghavendra Rao (DIN: 00379249)	Executive	9	9	Yes	2	2	-	-
*Mr. Diwakaraiah Neriga Jagannatheswar (DIN: 00427317)	Executive	9	6	Yes	1	-	-	-
*Mr. Ramegowda Shiva Kumar (DIN: 08678987)	Executive	9	3	NA	2	-	-	-
Mrs. Lathika Siddharth Pai (DIN: 00420102)	Independent (ID)	9	9	Yes	1	-	-	-
Mr. Kalyanasundaram Chandrasekaran (DIN: 00936289)	Independent (ID)	9	9	Yes	1	2	2	-

Name of the Director	Category	Attendance particulars			No. of Directorships and Committee Memberships / Chairmanships in Indian Companies as on March 31, 2025			Directorship in other listed entity (Category of Directorship)
		Number of Board Meetings		13 th AGM Held on 26.09.2024	Directorship(s)	Committee Memberships	Committee Chairmanships	
		Held	Attended					
*Mr. Prakash Nagabushan (DIN: 00998992)	Independent (ID)	9	6	Yes	1	2	-	-
*Mr. Neal Jeremy Castleman (DIN: 05159412)	Non-Executive, Non-Independent	9	4	Yes	-	-	-	-
*Mr. Panchangam Nagashayana (DIN: 00907296)	Independent (ID)	9	3	NA	-	-	-	-

* Mr. Diwakaraiah Neriga Jagannatheswar was appointed as an Additional Executive Director on June 28, 2024, and he further regularised as an Executive Director in the Annual General Meeting held on September 26, 2024.

* Mr. Ramegowda Shiva Kumar was appointed as an Additional Executive Director on January 02, 2025, and he further regularised as an Executive Director on March 15, 2025.

* Mr. Panchangam Nagashayana was demised on July 08, 2024.

*Mr. Neal Jeremy Castleman resigned on October 09, 2024.

*Mr. Prakash Nagabushan was appointed as an Additional Independent Director on August 01, 2024, and he regularised as an Independent Director in the Annual General Meeting held on September 26, 2024.

Notes:

- Excludes Directorship in Private Limited companies, Foreign Companies and Section 8 Companies.
- As per the Regulation 26(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Committees include only Audit Committee and Stakeholders' Relationship Committee for considering Membership and Chairmanship.
- The Company's shares are listed with BSE Ltd (BSE) & National Stock Exchange of India Ltd (NSE).
- None of the Directors are inter-se related to each other.
- Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2025 are given below:

Name	Number of Equity Shares	% of Holding
Mr. Prakash Nagabushan (Independent Director)	2,100	0.00

Details of equity shares of the Company held by the relative of Non-Executive Directors as on March 31, 2025 are given below:

Name	Relationship with Non-Executive Director	Number of Equity Shares	% of Holding
Ms. Anitha Chandrasekaran	Spouse of Non-Executive, Independent Director, Mr. Kalyanasundaram Chandrasekaran	50,000	0.04
Mr. Siddharth Ammembal Pai	Spouse of Non-Executive, Independent Director, Ms. Lathika Siddharth Pai	49,990	0.04
Ms. Sandhya Prakash	Spouse of Non-Executive, Independent Director, Mr. Prakash Nagabushan	1,132	0.00

- None of the Directors is a member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees across all Public Limited Companies based on confirmation received from the Directors.

B. Core Skills / Expertise / Competencies available with the Board:

The Board of Directors has identified the following skills/expertise/competencies with reference to its business and industry that are fundamental for the effective functioning of the Company:

Sr. No.	Skill Area
1.	Strategic Thinking, Planning and Management
2.	Entrepreneurial and Leadership skills
3.	Marketing and Branding
4.	Finance & Risk Management
5.	Global Exposure
6.	Defense Industry Experience
7.	Corporate Governance and Compliance
8.	Stakeholders Management

The Directors so appointed are from diverse backgrounds and possess special skills with regard to the industries / fields from where they come:

Name of the Director	Strategic Thinking, Planning and Management	Entrepreneurial and Leadership Skills	Marketing and Branding	Finance & Risk Management	Global Exposure	Defense Industry Experience	Corporate Governance and Compliance	Stakeholders Management
Dr. H S Raghavendra Rao (DIN: 00379249)	✓	✓	✓	✓	✓	✓	✓	✓
*Mr. Diwakaraiah Neriga Jagannatheswar (DIN: 00427317)	✓	✓	-	✓	-	-	✓	✓
*Mr. Ramegowda Shiva Kumar (DIN: 08678987)	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Kalyanasundaram Chandrasekaran (DIN: 00936289)	✓	✓	-	✓	✓	-	✓	✓
Mrs. Lathika Siddharth Pai (DIN: 00420102)	✓	✓	✓	-	✓	-	✓	✓
*Mr. Prakash Nagabushan (DIN: 00998992)	✓	✓	-	✓	✓	-	✓	✓
*Mr. Panchangam Nagashayana (DIN: 00907296)	✓	✓	✓	-	-	✓	✓	✓
*Mr. Neal Jeremy Castleman (DIN: 05159412)	✓	✓	✓	-	✓	✓	✓	-

During the period under review:

* Mr. Diwakaraiah Neriga Jagannatheswar was appointed as an Additional Executive Director on June 28, 2024, and he regularised as an Executive Director in the Annual General Meeting held on September 26, 2024.

* Mr. Ramegowda Shiva Kumar was appointed as an Additional Executive Director on January 02, 2025, and he regularised as an Executive Director on March 15, 2025.

*Mr. Prakash Nagabushan was appointed as an Additional Independent Director on August 01, 2024, and he regularised as an Independent Director in the Annual General Meeting held on September 26, 2024.

* Mr. Panchangam Nagashayana Independent Director of the Company passed away on July 08, 2024.

*Mr. Neal Jeremy Castleman resigned on October 09, 2024.

C. Independent Directors

All Independent Directors of the Company have submitted the requisite declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16 and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Code for Independent Directors as per Schedule IV of the Companies Act, 2013 and the Company's Code of Conduct. They have further confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties and that they are independent of the management.

Further, the Independent Directors have also submitted their declaration in compliance with the provision of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of the Indian Institute of Corporate Affairs ('IICA') for a period of one year or five years or life-time till they continue to hold the office of an independent director.

Also, the Independent Directors of the Company have confirmed that they have registered with the databank for a period of six years or life time maintained by the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In terms of the provisions of the Act, Independent Directors, Mr. Kalyanasundaram Chandrasekaran (DIN: 00936289) was appointed for the first term of 5 years w.e.f. 28.01.2022, Mrs. Lathika Siddharth Pai (DIN: 00420102) was appointed for first term of 5 years as a Women Independent Director w.e.f. 02.02.2022. and Mr. Prakash Nagabushan (DIN: 00998992) was appointed for first term of 5 years w.e.f 28.06.2024.

In the opinion of the Board, all the Independent Directors have integrity, expertise and experience.

The terms and conditions of appointment of independent directors is available on the website of the Company <https://dcxindia.com>.

D. Board Meetings

The Board meets at least 4 (four) times in a year i.e., once in every quarter to review the quarterly and year to date results along with other items on the agenda. The Board also meets as and when necessary to address specific issues concerning the business of the Company.

The Board meetings are governed by a structured agenda. The agenda along with the detailed explanatory notes, presentations and supporting material are circulated to the members of the Board in advance before each meeting to facilitate effective decision making. The Board members are also apprised on a regular basis, by the Chairman & Managing Director on the overall performance of the Company and key developments and achievements.

The Company in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder provides for the facility to the Directors to attend the meetings of the Board through video conferencing mode in line with various notifications/ circular issued by the Ministry of Corporate Affairs and SEBI from time to time.

The proceedings of each of the meeting of the Board and its Committees are captured in accordance with the provisions of the Companies Act, 2013 and the Companies (Meetings of the Board and its Powers) Rules, 2014.

During the Financial Year 2024-25, the Board Meetings of the Company were held **9 (Nine)** times, i.e. on April 10, 2024, May 16, 2024, June 17, 2024, August 12, 2024, August 22, 2024, November 12, 2024, January 02, 2025, February 06, 2025, March 21, 2025.

The details for the attendance of Directors at Board Meetings and at the last Annual General Meeting (AGM) are provided in **Table 1** above.

E. Familiarization programs

Familiarization programs for all Independent Directors were conducted during the year as per the provisions of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has more such plans in the next financial year for Independent Directors to keep them updated about their roles, rights, responsibilities in the Company as an Independent Director.

The policy on Familiarization program and Familiarization programs imparted to the Independent Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded on the website of the Company <https://dcxindia.com>.

F. Independent Directors Meeting

The Independent Directors Meeting in accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and the Rules made thereunder and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was held on March 10, 2025, without the presence of Non-Independent Directors and members of the management.

The Independent Directors in their meeting have assessed the quality, quantity and timeliness of flow of

information between the management and the Board of Directors that is necessary for the board to effectively and reasonably perform their duties.

G. Performance Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework.

The Nomination & Remuneration Committee of the Company, in accordance with the provisions of the Companies Act, 2013 and the Rules made there under and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, laid down the criteria for the performance evaluation of the Board, Committees and every Director including Independent Directors and the Chairman.

Accordingly, the performance evaluation of the Board, each Committee, every Director including Independent Directors and the Chairman was carried out for the financial year under review. All the Directors were participative, interactive and communicative during the entire evaluation process.

H. Code of Conduct

The Company has stipulated a Code of Conduct for all Directors and the Senior Management of the Company ("the Code"). The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code is also applicable to Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. A copy of the Code has been placed on the Company's website <https://dcxindia.com>.

II. COMMITTEES OF THE BOARD

The Board has constituted 5 (five) Committees of the Board, namely Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship

Committee, Corporate Social Responsibility Committee and Risk Management Committee as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The proceedings of the Committee meetings are captured in the same manner as the Board Meeting. The minutes of the Committee meetings were tabled at the Board Meeting and the members of the Board were briefed on the important discussions and deliberations.

A. Audit Committee

The Audit Committee of the Company has been constituted as per the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 including amendments, if any. The Audit Committee of the Company comprises the majority of the Independent Directors. All members of the Audit Committee are financially literate and have accounting and related financial management expertise. The Company Secretary acts as secretary to the Audit Committee.

The members of the Audit Committee met **6 (Six)** times during financial year 2024-25 i.e., on April 10, 2024, May 16, 2024, August 12, 2024, November 12, 2024, February 06, 2025, March 21, 2025.

The Board of Directors of the Company reconstituted the Audit Committee through a circular resolution of the Board on July 19, 2024.

The maximum time gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days.

The composition of the Audit Committee and attendance of each member at the Audit Committee meetings held during the financial year 2024-25 is as below:

Sl. No.	Name of the Member	Designation	Category	No. of Meetings attended
1	Mr. Kalyanasundaram Chandrasekaran	Chairman and Member	Independent Director	06
2	*Mr. Prakash Nagabushan	Member	Independent Director	04
3	Dr. H S Raghavendra Rao	Member	Managing Director	06
4	*Mr. Panchangam Nagashayana	Member	Independent Director	02

*During the period under review:

Mr. Prakash Nagabushan was appointed as a member of the Committee with effect from August 01, 2024.

Mr. Panchangam Nagashayana, a member of the Committee, passed away on July 08, 2024.

Terms of reference:

The terms of reference given by the Board of Directors pursuant to Section 177 of the Act and the Listing Regulations, including amendments, if any, are briefly described below:

- 1) Oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient, and credible.
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee.

- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - 4) Formulation of a policy on related party transactions, which shall include materiality of related party transactions.
 - 5) Reviewing, at least on a quarterly basis, the details of related party transactions entered by the Company pursuant to each of the omnibus approvals given.
 - 6) Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
 - 7) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
 - 8) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - 9) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
 - 10) Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed.
- Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
- 11) Scrutiny of inter-corporate loans and investments.
 - 12) Valuation of undertakings or assets of the Company, wherever it is necessary.
 - 13) Evaluation of internal financial controls and risk management systems.
 - 14) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - 15) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - 16) Discussion with internal auditors of any significant findings and follow up thereon;
 - 17) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - 18) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - 19) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services.
 - 20) Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - 21) Reviewing the functioning of the whistle blower mechanism
 - 22) Monitoring the end use of funds raised through public offers and related matters.
 - 23) Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases.
 - 24) Approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications,

experience and background, etc. of the candidate.

- 25) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing.
- 26) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
- 27) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the listed entity and its shareholders.
- 28) Carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The powers of the Audit Committee shall include the following:

- a. To investigate any activity within its terms of reference
- b. To seek information from any employee
- c. To obtain outside legal or other professional advice
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary; and
- e. Such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations.
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors.
- d. Internal audit reports relating to internal control weaknesses.

- e. The appointment, removal and terms of remuneration of the chief internal auditor.

- f. Statement of deviations in terms of the SEBI Listing Regulations:

- i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
- ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

- g. Review the financial statements, in particular, the investments made by any unlisted subsidiary.

The Audit Committee is required to meet at least four times in a year under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company Secretary of the Company shall act as Secretary of the Committee

B. Nomination and Remuneration Committee

The Company has a duly constituted Nomination & Remuneration Committee as per Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013 and the Rules made thereunder. All members of the Committee are Independent Directors. The Company Secretary acts as secretary to the Nomination and Remuneration Committee.

During the Financial Year 2024-25, **5 (Five)** meetings of the Committee were held on April 10, 2024, June 17, 2024, August 12, 2024, January 02, 2025 and February 06, 2025.

The Board of Directors of the Company reconstituted the Nomination & Remuneration Committee through a Circular Resolution of the Board on July 19, 2024.

The composition of the Nomination and Remuneration Committee and attendance of each member at the meetings of the Committee held during the financial year 2024-25 are as below:

Sl. No.	Name of the Member	Designation	Category	No. of Meetings attended
1	*Mr. Prakash Nagabushan	Chairman and Member	Independent Director	3
2	Mr. Kalyanasundaram Chandrasekaran	Member	Independent Director	5
3	Mrs. Lathika Siddharth Pai	Member	Independent Director	4
4	*Mr. Panchangam Nagashayana	Member	Independent Director	2

*During the period under review:

Mr. Prakash Nagabushan was appointed as a member of the Committee with effect from August 01, 2024.

Mr. Panchangam Nagashayana, a member of the Committee, passed away on July 08, 2024.

Terms of Reference:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully.
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- (2) Formulation of criteria for evaluation of independent directors and the Board;
 - (3) Devising a policy on Board diversity.
 - (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
 - (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - (6) Recommend to the board, all remuneration, in whatever form, payable to senior management.
 - (7) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."
 - (8) Analysing, monitoring and reviewing various human resource and compensation matters;
 - (9) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- (10) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (11) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
- (12) Administering, monitoring and formulating detailed terms and conditions of the employee stock option scheme, if any, of the Company;
- (13) Reviewing and approving the Company's compensation strategy from time to time in the context of the current Indian market in accordance with applicable laws;
- (14) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable;
- (15) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and
- (16) Performing such other activities as may be delegated by the Board or specified/provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
- (17) For every appointment of an independent director the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purposes of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.

The Nomination & Remuneration Committee has laid down the Performance Evaluation criteria for

Independent Directors in terms of Regulation 19 read with Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Remuneration Policy of the Company for the Directors, Key Managerial Personnel and Senior Management Personnel is disclosed on its website <https://dcxindia.com>.

The Nomination & Remuneration Committee has laid down the criteria of making payments to non-executive directors in terms of Regulation 17(6) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the policy is annexed to the Board's Report and disclosed on its website <https://dcxindia.com>.

The Nomination and Remuneration Committee is required to meet at least one time in a year under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company Secretary of the Company shall act as Secretary of the Committee.

Remuneration Policy:

The Remuneration Policy of the Company is based on the following criteria:

- i) Performance of the Company.
- ii) Track record, potential and individual performance.
- iii) External competitive environment
- iv) Balance between the fixed and incentive pay.

Remuneration of Directors:

The Executive Directors have no pecuniary relationship with the Company other than receiving remuneration approved by the shareholders. The tenure of Executive Director is in line with the approval provided by the shareholders of the Company. The provision for payment of severance fees and notice period of Executive Director is as per the terms of appointment. Non-Executive- Non-Independent Director is not entitled to any remuneration including sitting fees and are not subject to any notice period and severance fees. Independent Directors are entitled to only sitting fees and are not subject to any notice period and severance fees. There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, which has potential conflict with the interest of the organization at large.

Details of Remuneration paid for the financial year 2024-25:

Executive Directors:

(₹ in Mn)

Sl. No.	Name of the Director	Salary	Sitting fees	Commission paid/ payable	Total
1	Dr. H S Raghavendra Rao	24.00	-	-	24.00
2	Mr. Diwakaraiah Neriga Jagannatheswa	5.83	-	-	5.83
3	Mr. Ramegowda Shiva Kumar	5.96	-	-	5.96

Non-Executive Independent Directors:

(₹ in Mn)

Sl. No.	Name of the Director	Salary	Sitting fees	Commission paid/ payable	Total
1	Mr. Kalyanasundaram Chandrasekaran	-	0.4	-	0.4
2	*Mr. Prakash Nagabushan	-	0.3	-	0.3
3	Mrs. Lathika Siddharth Pai	-	0.4	-	0.4
4	*Mr. Panchangam Nagashayana	-	0.1	-	0.1

*During the period under review:

Mr. Prakash Nagabushan, was appointed as an Independent Director of the Company with effect from August 01, 2024.

Mr. Panchangam Nagashayana, an Independent Director of the Company, passed away on July 08, 2024.

C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company has been constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178(5) the Companies Act, 2013. The Committee looks into Shareholders' and Investors' grievances.

During the financial year, **4 (Four)** meetings of the Committee was held on May 16, 2024, August 12, 2024, November 12, 2024, February 02, 2025.

The Board of Directors of the Company reconstituted the Stakeholders Relationship Committee through a Circular Resolution of the Board on July 19, 2024.

The composition of the Stakeholders Relationship Committee and attendance of each member at the Committee meetings held during the financial year 2024-25 is as below:

Sl. No.	Name of the Member	Designation	Category	No. of Meetings attended
1	Mr.Kalyanasundaram Chandrasekaran	Chairman and Member	Independent Director	4
2	*Mr. Prakash Nagabushan	Member	Independent Director	3
3	Dr. H S Raghavendra Rao	Member	Managing Director	4
4	*Mr. Panchangam Nagashayana	Member	Independent Director	1

*During the period under review:

Mr. Prakash Nagabushan was appointed as a Member of the Committee with effect from August 01, 2024.

Mr. Panchangam Nagashayana, a Member of the Committee, passed away on July 08, 2024.

Terms of reference:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent; and
4. Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
5. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
6. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
7. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
8. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

Stakeholders Relationship Committee is required to meet at least once in a year under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company Secretary of the Company shall act as Secretary of the Committee

Details of Shareholders / Investors Complaints:

The status of the shareholders' complaints received during the Financial Year 2024-25 are as follows:

Pending as of April 01, 2024	Received during the year	Disposed of during the year	Pending as of March 31, 2025
0	0	0	0

D. Risk Management Committee

The Risk Management Committee of the Company has been constituted in line with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year, **2 (Two)** Committee meetings were held on August 12, 2024 and February 06, 2025.

The Board of Directors of the Company reconstituted the Risk Management Committee through a Circular Resolution of the Board on July 19, 2024.

The composition of the Risk Management Committee and attendance of each member at the Committee meetings held during the financial year 2024-25 is as below:

Sl. No.	Name of the Member	Designation	Category	No. of Meetings attended
1	Dr. H S Raghavendra Rao	Chairman and Member	Chairman and Managing Director	2
2	Mr. Kalyanasundaram Chandrasekaran	Member	Independent Director	2
3	* Mr. Prakash Nagabushan	Member	Independent Director	2
4	*Mr. Panchangam Nagashayana	Member	Independent Director	0

*During the period under review:

Mr. Prakash Nagabushan was appointed as a member of the Committee with effect from August 01, 2024.

Mr. Panchangam Nagashayana, a Member of the Committee, passed away on July 08, 2024.

Terms of reference:

The Risk Management Committee shall be responsible for, among other things, the following:

- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per framework laid down by the board of directors;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Committee is required to meet at least twice in a financial year with maximum interval of not more than 210 days between two consecutive meetings under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

E. Corporate Social Responsibility Committee

The Company has a duly constituted Corporate Social Responsibility (CSR) Committee in line with Section 135 of the Companies Act, 2013 and the Rules made thereunder.

During the year, the **1 (One)** CSR meeting was held on February 06, 2025.

The Board of Directors of the Company reconstituted the Corporate Social Responsibility Committee through a Circular Resolution of the Board on July 19, 2024.

The composition of the Corporate Social Responsibility Committee and attendance of each member at the Committee meetings held during the financial year 2024-25 are as below:

Sl. No.	Name of the Member	Designation	Category	No. of Meetings attended
1	Mrs. Lathika Siddharth Pai	Chairperson and Member	Independent Director	1
2	Dr. H S Raghavendra Rao	Member	Managing Director	1
3	*Mr. Prakash Nagabushan	Member	Independent Director	1
4	*Mr. Panchangam Nagashayana	Member	Independent Director	0

*During the period under review:

Mr. Prakash Nagabushan was appointed as a member of the Committee with effect from August 01, 2024.

Mr. Panchangam Nagashayana, a Member of the Committee, passed away on July 08, 2024.

Terms of reference:

- formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- review and recommend the amount of expenditure to be incurred on the CSR activities referred to in clause a;
- monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

Corporate Social Responsibility Committee is required to meet at least one time in a year as per the provisions of the Companies Act, 2013 and the Company Secretary of the Company shall act as Secretary of the Committee.

III. SUBSIDIARY COMPANIES

The Company has M/s. Raneal Advanced Systems Private Limited., India and M/s. Niart Systems Ltd., Israel, as material unlisted Indian Subsidiary as on March 31, 2025, as defined under the Regulation 16(1)(C) and 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Material Subsidiaries:

Sl. No.	Name of Subsidiary	Incorporation		Statutory Auditors	
		Date	Place	Name	Date of Appointment
1	Raneal Advanced Systems Pvt Ltd	04.02.2022	Bangalore, India	P P B N & Co, Chartered Accountants	June 20, 2025
2	Niart Systems Ltd	15.10.2023	Israel	PwC, Israel	February 27, 2025

The minutes of the unlisted Indian Subsidiary Company, M/s. Raneal Advanced Systems Private Limited, and unlisted Israeli Subsidiary Company, M/s. Niart Systems Ltd, wherever applicable, along with any significant transaction or arrangement entered into by any of its unlisted subsidiary companies, were placed before the Board for its noting. The Audit Committee reviewed the financial statements, in particular investments made by the aforesaid subsidiaries of the Company.

The Board of Directors of the Company at their meeting held on March 21, 2022 approved a policy for determining "material subsidiaries". The said Policy is available on the website of the Company <https://dcxindia.com>.

IV. SENIOR MANAGEMENT

Our Senior Management team as of March 31, 2025, and the changes during the financial year in the senior management team are as below:

Sl. No.	Name	Designation
1	*Mr. Diwakaraiah N J	Executive Director & Chief Financial Officer
2	Mr. Shiva Kumara R	Executive Director & Vice President
3	Mr. Gurumurthy Hegde	Company Secretary, Legal & Compliance Officer
4	Mr. Prasanna Kumar T S	Sr. DGM Finance & Accounts
5	Mr. Pramod B	Sr. DGM - Operations
6	Mr. Anand S	Sr. DGM - SCM
7	Mr. G S Manjunath	Sr. Manager – HR & Admin
8	Mr. Rajanikanth K N	Sr. Manager - Logistics
9	Mr. Atul Muthe	Manager - Quality

* Mr. Diwakaraiah N J was appointed as Chief Financial Officer (CFO) of the Company with effect from April 11, 2024.

V. GENERAL BODY MEETINGS

Details in respect of Annual General Meetings of the Company held during last 3 (Three) Financial Years, are as mentioned below:

AGM	Date of AGM	Venue	Time	Special Resolution Items
11 th	28.07.2022	Virtually at Registered Office Address at Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadasanahalli, Bengaluru Rural - 562110, Karnataka, India	09.00 A.M. (IST)	-
12 th	25.09.2023	Virtually at Registered Office Address at Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadasanahalli, Bengaluru Rural - 562110, Karnataka, India	04.00 P.M. (IST)	1. Approval for continuation of Directorship of Mr. Neal Jeremy Castleman (DIN: 05159412), Non-Executive, Non-Independent Director of the Company after attaining the age of 75 years
13 th	26.09.2024	Virtually at Registered Office Address at Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadasanahalli, Bengaluru Rural - 562110, Karnataka, India	02:30 P.M. (IST)	1. Appointment of Mr. Neal Jeremy Castleman (DIN: 05159412) as a Non-Executive, Non-Independent Director, who retires by rotation and being eligible, offers himself for re-appointment 2. Appointment of Mr. Prakash Nagabushan (DIN:00998992) as an Independent Director of the Company

POSTAL BALLOT

During the year, the Company had passed the following resolutions through Postal Ballot through E-voting:

1	2	3	4	5		6	
Sr. No.	Resolution Passed	Type of Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
				No. of Votes	%	No. of Votes	%
1	Alteration in the Objects of the Initial Public offer (IPO) for which amount was raised	Special	7,96,66,390	7,96,65,954	99.9995	436	0.0005
2	Appointment of Mr. Ramegowda Shiva Kumar (DIN:08678987) as an Executive Director of the Company and approval of payment of Remuneration	Ordinary	6,87,75,367	6,87,74,458	99.9987	909	0.0013

Further details on Postal Ballot Process:

7	8	9	10	11
Date of Postal Ballot Notice	Commencement of remote e-voting period	Conclusion of remote e-voting period	Date of Approval	Scrutinizer for Postal Ballot (remote e-voting)
April 03, 2024	Thursday, April 04, 2024 from 9.00 a.m. (IST)	Friday, May 03, 2024 till 5.00 p.m. (IST)	May 03, 2024	Mr. Pramod. S (ACS No. 36020, CoP No. 13335), Practicing Company Secretary, Bengaluru
February 13, 2025	Friday, February 14, 2025 from 9.00 a.m. (IST)	Saturday, March 15, 2025 till 5.00 p.m. (IST)	March 15, 2025	Mr. Pramod. S (ACS No. 36020, CoP No. 13335), Practicing Company Secretary, Bengaluru

The voting results of postal ballot are made available on the company's website at <https://dcxindia.com>.

Procedure for postal ballot:

Prescribed procedure for postal ballot, as per the provisions contained in this behalf in the Act read with rules made there under as amended from time to time, shall be complied with, whenever necessary.

Whether any special resolution is proposed to be conducted through postal ballot:

Currently, there is no proposal to pass any Special Resolution through Postal Ballot. Special Resolutions by way of Postal Ballot, if required to be passed in the future, the same will be decided at the relevant time.

VI. MEANS OF COMMUNICATION

Financial Results & Company's Website

The Company's quarterly Financial Results, Press releases/Media releases and Investors Presentations are made available on the Company's website. In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the quarterly financial results were published in the Financial Express (English) and Samyuktha Karnataka (Kannada) editions. Financial Results and all material information are also disseminated to the Stock Exchanges after these are taken on record by the Board and the same is available at <https://dcxindia.com>.

Investors Calls

Earnings Conference Calls except Q3 FY24-25 were conducted after the announcement of Quarterly Financial Results for the Financial Year 2024-25, wherein the management updates the investors on the progress made by the Company and also answers their queries. The call transcripts are uploaded on the website of the Company i.e. <https://dcxindia.com> and with exchanges for public information.

Website

The website of the Company i.e. <https://dcxindia.com> contains a separate and dedicated “investors” section to serve shareholders, by giving complete information pertaining to the Board of Directors and its Committees, financial results, stock exchanges disclosures and compliances such as shareholding pattern, corporate governance report and press releases, Notice of the Board and General Meetings, details of Registrar and Transfer Agents related information amongst others. The Company's Annual Report along with supporting documents are also available on the website in a user-friendly and downloadable form.

SEBI Complaints Redress Platform (SCORES)

It enables investors to lodge and follow up complaints and track the status of redressal online on the website at www.scores.gov.in. It also enables the market intermediaries and listed companies to receive complaints from investors against them, redress such complaints and report redressal of such complaints. All the activities starting from lodging of a complaint till its disposal are carried out online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered with SCORES and endeavors to resolve investor complaints whenever received through SCORES expeditiously.

Designated E-mail ID

The Company has a designated Email ID: cs@dcxindia.com, exclusively for investor servicing.

VII. GENERAL SHAREHOLDER INFORMATION

1	Date of Incorporation	:	16/12/2011
2	Registration No./CIN No.	:	L31908KA2011PLC061686
3	Registered Office/Address for Correspondence	:	DCX Systems Limited Aerospace SEZ Sector, Plot Nos.29,30 and 107, Hitech Defence and Aerospace Park, Kavadasanahalli, Bengaluru Rural - 562110, Karnataka, India Email: cs@dcxindia.com Tel: 080 - 6711 9555 Web: www.dcxindia.com
4	Date, Time and Venue of 14th AGM	:	26.09.2025, 2.00 P.M.(IST) via Video Conferencing/ Other Audio Visual Means
5	Book Closure Dates/Cut-off dates	:	19.09.2025
6	Dividend Payment Date	:	N.A.
7	Financial Year	:	April 01, 2024 to March 31, 2025
8	Financial Calendar for 2025-26 (Tentative and subject to change)	:	Financial results reporting for the first quarter ending June 30, 2025 On or before 2nd week of August, 2025 Financial results reporting for the second quarter ending September 30, 2025 On or before 2nd week of November, 2025 Financial results reporting for the third quarter ending December 31, 2025 On or before 2nd week of February, 2026 Financial results reporting for the fourth quarter and year ending March 31, 2026 On or before 4th week of May, 2026 Annual General Meeting for the Financial Year ending March 31, 2026 On or before September, 2026
9	Listing on Stock Exchanges (Listed on 11.11.2022)	:	BSE Limited, (BSE) P J Towers, Dalal Street, Fort Mumbai – 400 001 Scrip Code: 543650 National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra E), Mumbai – 400 051 Scrip Symbol: DCXINDIA

10	ISIN of the Company	: INE0KL801015
11	Payment of Listing fee	: Listing fee for the financial year 2024-25 has been paid to BSE and NSE.
12	Registrar & Transfer Agent	: MUFG Intime India Private Limited C 101, Embassy 247, L B S Marg, Vikhroli (West), Mumbai 400083. Tel No: +918108116767; Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@in.mpms.mufig.com
13	Dematerialization of Equity Share of the Company as on March 31, 2025	: 11,13,86,427 equity shares (i.e., 100% of total equity) is in demat form. The equity shares of the Company are available under the dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
14	Unclaimed Equity Dividend	: There is no unclaimed dividend as on March 31, 2025.

15 Share Transfer System : All the Company's shares are held in dematerialized form as on March 31, 2025. Pursuant to Regulation 40 of SEBI Listing Regulations, transfer of securities of the Company shall be processed only in dematerialized form with the depository with effect from April 01, 2019. Further, SEBI vide its Circular dated January 25, 2022, has mandated that securities shall be issued only in dematerialized mode while processing duplicate/unclaimed/suspense/renewal/exchange/endorsement/subdivision/consolidation/transmission/ transposition service requests received from physical securities holders.

16 Plant Location : The plant location of the Company is as detailed below:

Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadasanahalli, Bengaluru Rural - 562110, Karnataka, India

17 Shareholding Pattern of the Company as of March 31, 2025:

Sl. No.	Category	Number of Equity Shares	%
1.	Indian Promoter Company	3,18,84,542	28.63
2.	Clearing Members	13	0.00
3.	Bodies Corporate	46,08,505	4.14
4.	Foreign Promoter Company	2,76,29,442	24.80
5.	Hindu Undivided Family	14,67,766	1.32
6.	Mutual Funds	43,23,035	3.88
7.	Non-Resident Indians	14,99,852	1.34
8.	Public	3,40,11,709	30.53
9.	Indian Individual Promoter	38,12,558	3.42
10.	Trusts	3,000	0.00
11.	Body Corporate - Limited Liability Partnership	3,05,948	0.28
12.	Foreign Portfolio Investors (Corporate) - I	8,08,528	0.73
13.	Foreign Portfolio Investors (Corporate) - II	4,88,144	0.44
14.	Alternate Investment Funds	1,71,569	0.15
15.	Directors and their relatives (excluding independent Directors and nominee Directors)	95,000	0.09
16.	Key Managerial Personnel	2,70,000	0.24
17.	NBFCs registered with RBI	6,816	0.01
Total		11,13,86,427	100

18 Distribution Schedule as on March 31, 2025:

Share -Range	No. of Shareholders	% of total	No. of Shares Held	% total
1-500	1,35,341	93.34	1,06,36,898	9.55
501-1000	5,088	3.51	39,79,440	3.57
1001-2000	2,426	1.67	35,53,724	3.19
2001-3000	773	0.53	19,63,131	1.76
3001-4000	322	0.22	11,52,229	1.04
4001-5000	267	0.18	12,68,228	1.14
5001-10000	427	0.30	31,44,450	2.82
10001 & Above	358	0.25	8,56,88,327	76.93
TOTAL	1,45,002	100	11,13,86,427	100

VIII. OTHER DISCLOSURES

A. BASIS OF RELATED PARTY TRANSACTIONS

Transactions with the Related Parties, as per the requirements of Indian Accounting Standard (Ind AS), are disclosed in the notes to accounts to the Financial Statements. The related party transactions were placed before the Audit Committee meetings for their review and approval. The policy on related party transactions is available on the website of the Company at <https://dcxindia.com>.

B. DISCLOSURE OF ACCOUNTING TREATMENT

The Company has prepared the financial statements in due compliance of all material aspects with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

C. DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES AND STRICTURES IMPOSED ON THE COMPANY BY THE STOCK EXCHANGE(S), SEBI OR ANY OTHER STATUTORY AUTHORITY

The Company has duly complied with all the requirements of the Stock Exchange(s) and Securities Exchange Board of India (SEBI) on matters relating to capital markets. There were no non-compliances by the Company and no instances of penalties or strictures which were imposed on the Company by SEBI, Stock Exchange(s) on which the shares of the Company are listed by any statutory authority on any matter related to the capital market during the last 3 financial years. Further, the securities of the Company were not suspended from trading at any time during the year.

D. BOARD DISCLOSURES – RISK MANAGEMENT

The Company has laid down systems to inform the Audit Committee and the Board about the risk assessment and minimization procedures. The risks and Company's mitigation strategies are discussed and reviewed by the Board of Directors and Risk Management Committee on

a regular basis, whenever required, to ensure effective controls.

E. CODE OF CONDUCT

The Board of Directors has approved policy relating to Code of Conduct for its Board Members and Senior Management as required under Regulation 17 (5) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and the same is available on the Company's website at <https://dcxindia.com>.

F. WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED

The Company has M/s. Raneal Advanced Systems Private Limited as material unlisted Indian Subsidiary and M/s. Niart Systems Ltd., as material unlisted Foreign Subsidiary as on March 31, 2025. The Policy pertaining to determine the Material Subsidiary is available on the Company's website at <https://dcxindia.com>.

G. PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES, PREFERENTIAL ISSUES ETC

During the year under review, the Company has not offered any shares through Public Issue, Rights Issue and Preferential Issue basis.

H. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company is committed to the high standards of corporate governance and stakeholder's responsibility. The Company has adopted Whistle Blower Policy and established necessary Vigil Mechanism in line with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for directors and employees to report concerns about unethical behavior. No personnel have been denied access to the Chairman of the Audit Committee. The Company has established a vigil mechanism to promote ethical behavior in all its business activities and has in place a mechanism for employees to report any genuine grievances, illegal, unethical behavior, suspected fraud or violation of laws, rules and regulation or conduct to the Audit Committee. The Policy also provides for adequate protection to the whistle blower against victimization or discriminatory

practices. The Policy is available on the website of the Company at <https://dcxindia.com>.

During the Financial Year 2024-25, the Company did not receive any complaints.

I. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place a Policy against Sexual Harassment at workplace and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013.

Disclosure in relation to Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sl. No.	Particulars	Number of Complaints
1	Number of complaints filed during the financial year	Nil
2	Number of complaints disposed of during the financial year	Nil
3	Number of complaints pending as at the end of the financial year	Nil

J. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED' BY NAME AND AMOUNT

There were no loans and advances provided to firms/companies in which the Directors are interested.

K. DETAILS OF COMPLIANCE WITH MANDATORY/ NON-MANDATORY REQUIREMENTS OF THE LISTING REGULATIONS

The Company has complied with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Company has also complied with below mentioned discretionary requirements as stated under Part E of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as under:

- The Board:** The Company has an Executive Chairman and therefore the provision relating to Non-Executive Chairperson is not applicable.
- Shareholders' Right:** The Company promptly disseminates its financial results to the Stock Exchanges and the same will be published on the company's website at <https://dcxindia.com>. Further, the Company publish the results in newspaper namely Financial Express (English) and Samyuktha Karnataka (Kannada) editions and are also posted on the website of Company.

c. Modified Opinion(s) in Audit Report: NIL

- Reporting of Internal Auditor:** The Internal Auditors report on the internal audit of the Company to the Audit Committee and the Board on a quarterly basis.

L. MD/CFO CERTIFICATION

As required under the SEBI Regulation 17(8) of (Listing Obligations & Disclosures Requirements) Regulations, 2015, the MD and CFO certification was received from Dr. H S Raghavendra Rao, Managing Director and Mr. Diwakaraiah N J, Chief Financial Officer and placed at the Board meeting held on May 27, 2025. The said certificate is annexed to this report.

M. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

N. DISCLOSURE OF INSTANCES ALONG WITH THE REASONS, WHERE THE BOARD OF DIRECTORS HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD, WHICH IS MANDATORILY REQUIRED, IN THE FINANCIAL YEAR 2024-25

There was no instance during the financial year 2024-25, when the Board of Directors did not accept the recommendation of any committee of the Board which it was mandatorily required to accept.

O. DIVIDEND DISTRIBUTION POLICY

The Board of Directors adopted Dividend Distribution Policy as per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the said policy is available on the Company's website <https://dcxindia.com>.

P. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE

The Company does not have any materially significant related party transactions, which may have potential conflict with the interest of the Company at large. Further, the statutory disclosure requirements relating to related party transactions have been complied with in the Financial Statements. The policy on dealing with related party transactions has been disclosed on the Company's website, <https://dcxindia.com>.

Q. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The input pricing risk is managed through appropriate long-term rate contracts and constant evaluation of alternate support sources for key raw materials. The Company has an approved Foreign Exchange Risk Management Policy and accordingly, during the financial year ended March 31, 2025, the Company managed foreign exchange risk and hedged these to the extent considered necessary. The details of foreign currency exposure and hedging are disclosed in Notes to Standalone Financial Statements.

R. CREDIT RATING

During the year, Crisil Ratings Limited (Credit Rating Agency), has re-affirmed the Credit Rating for the bank facilities of the Company on 07.02.2025, and details of credit rating are provided below:

Type of Facility	Amount (₹ in Mn)	Current Rating	Rating Action
Non-Fund Based Facilities	5,800.00	Crisil A2+ (Short Term Rating)	Re-affirmed
Fund Based Facilities	4,200.00	Crisil A-/Stable (Long Term Rating)	

S. DETAILS OF UTILIZATION OF FUNDS OF PREFERENTIAL ALLOTMENT/QIP

The Company had raised ₹5,000.00mn by issuing additional 1,46,62,756 equity shares of face value of ₹2/- each at a premium of ₹339/- per share through Qualified Institutional Placement (QIP). Net proceeds available with the Company through the QIP is ₹4,866.50 mn.

Out of the total proceedings of the QIP, total amount of ₹1,257.80 mn was utilized for the object of investment in wholly owned subsidiary, Niart Systems Ltd., Israel and outstanding proceedings is planned to utilize during the financial year 2025-26 and onwards against the objects for which amount was raised through QIP.

T. CERTIFICATE FROM PRACTICING COMPANY SECRETARY

The Company has obtained a certificate, pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from Pramod S. Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such statutory authority and is enclosed at the end of this Report.

U. FEES PAID TO STATUTORY AUDITORS

During the year ended March 31, 2025, audit fees paid by the listed entity to the Statutory Auditors i.e., NBS & Co, Chartered Accountants and all entities in the network firm/network entity of which the statutory auditor is a part, is ₹1.50 Mn excluding applicable taxes. The details of payment made to the Statutory Auditors are available under note number 30 of the standalone financial statements.

Further, Raneal Advanced Systems Private Limited (Wholly Owned Subsidiary) of the Company, has not made any payment to NBS & Co, Chartered Accountants during the year ended March 31, 2025.

V. AGREEMENT ON COMPENSATION OF PROFIT SHARING IN CONNECTION WITH DEALINGS IN SECURITIES OF THE COMPANY

During the financial year under review, no employee including Key Managerial Personnel or Director or Promoter of the Company entered into any agreement, either for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in securities of the Company.

W. DECLARATION ON CODE OF CONDUCT

The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. The Company has adopted a "Code of Conduct and Ethics" which is applicable to all directors and employees, amongst others.

Dr. H S Raghavendra Rao, Chairman and Managing Director confirms that all members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct and Ethics with respect to the financial year 2024-25.

X. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any security in the demat suspense account/unclaimed suspense account.

Y. OUTSTANDING GDRs/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not made any allotment of GDRs/ADRs/ Warrants during the financial year 2024-25.

IX. NON-COMPLIANCE OF REGULATIONS RELATING TO CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IF ANY

All the requirements of Corporate Governance Report of sub paragraphs (2) to (10) Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been duly complied with.

X. AGREEMENTS RELATING TO THE COMPANY

There are no agreements with any party which impact the management or control of the Company or impose any restriction or create any liability upon the Company.

For and on behalf of the Board of Directors

Sd/-

Dr. H S Raghavendra Rao

Chairman & Managing Director

DIN: 00379249

Sd/-

Shivakumar R

Executive Director

DIN: 08678987

Place: Bengaluru

Date: 02.09.2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Certificate pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members,

DCX Systems Limited

CIN: L31908KA2011PLC061686

Reg. Off. Add: Aerospace SEZ Sector, Plot Nos.29,30 and107,

Hitech Defence and Aerospacepark, Kavadasanahalli,

Bengaluru rural 562110 Karnataka India.

I have examined the relevant registers, records, forms and returns filed, notices and disclosures received from the Directors, minutes books, other books and papers of DCX Systems Limited having CIN: L31908KA2011PLC061686 and having registered office at Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospacepark, Kavadasanahalli, Bengaluru Rural, 562110, Karnataka, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the LODR'), as amended from time to time.

In my opinion and to the best of my information and according to the verifications (including DIN status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company, its Officers and Management Representation Letter of even date, I hereby certify that none of the Directors who were on the Board of the Company as on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

Ensuring the eligibility of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

I have conducted necessary verification as much as is appropriate to obtain reasonable assurance about the eligibility or disqualification of the Directors on the Board of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Pramod S.

Practicing Company Secretary

ACS: 36020; CP No.: 13335

Peer Reviewed Unit: 1491/2021

ICSI UDIN: A036020G001128562

Place : Bengaluru

Date: 01.09.2025

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI]
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,

DCX Systems Limited

CIN: L31908KA2011PLC061686

Reg. Off. Add: Aerospace SEZ Sector, Plot Nos. 29, 30 and 107,

Hitech Defence and Aerospacepark, Kavadasanahalli,

Bengaluru Rural, 562110, Karnataka, India.

I have examined the compliance of the conditions of Corporate Governance by DCX SYSTEMS LIMITED ('the Company') for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Compliance with the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Pramod S.

Practicing Company Secretary

ACS: 36020; CP No.: 13335

Peer Reviewed Unit: 1491/2021

ICSI UDIN: A036020G001128595

Place :Bengaluru

Date: 01.09.2025

DECLARATION REGARDING COMPLIANCE ON THE COMPANY'S CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

I, Dr. H S Raghavendra Rao, Chairman & Managing Director of DCX Systems Limited hereby confirm that the Company has adopted a Code of Conduct ("Code") for its Board Members and Senior Management personnel and the Code is available on the Company's website <https://dcxindia.com>.

I further confirm that the Company has in respect of the financial year ended on March 31, 2025, received from its Board Members as well as Senior Management Personnel a declaration of compliance with the Code of Conduct pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-

Dr. H S Raghavendra Rao

Chairman & Managing Director

DIN: 00379249

Place: Bengaluru

Date: 27.05.2025

MD /CFO CERTIFICATION

Certificate by the Managing Director and Chief Financial Officer as per Regulation 17(8) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015

The Board of Directors
DCX Systems Limited

We, Dr. H S Raghavendra Rao, Chairman & Managing Director and Diwakaraiah N J, Chief Financial Officer of the Company, hereby certify to the Board that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2025 and that to the best of our knowledge and belief:
 1. Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 2. These statements together present a true and fair view of the Company's affairs and are these in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent,
- C. We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Company over financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take, to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
- D. We have indicated to the Auditors and the Audit Committee that there are:
 1. no significant changes in internal control over financial reporting during the year;
 2. no significant changes in the accounting policies except as disclosed in the financial statements; and
 3. no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.
- E. We affirm that we have not denied any personnel access to the Audit Committee of the Company, and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

We further declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN: 00379249

Sd/-
Diwakaraiah N J
Chief Financial Officer

Place: Bengaluru
Date: 27.05.2025

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
DCX Systems Limited

Report on the Audit of the Standalone Financial Statements of DCX Systems Limited

for the year ended March 31, 2025

Opinion

We have audited the accompanying Standalone Financial Statements of DCX Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment, were of most significance in our audit of the

standalone Financial Statements of the Financial year ended March 31, 2025. We have determined that there are no key audit matters to communicate in our report.

Information other than the Standalone Financial Statements and Auditors' Report thereon.

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure(s) to Board's Report, but does not include the standalone financial Statements and our auditor's report thereon.

Our opinion on the standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind-AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) rules 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable Assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these statements Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Financial Statements, including the disclosures, and whether the standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report On Other Legal And Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit And Loss, and the Cash Flows Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone Financial Statements comply with the accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provision of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 44 to the Standalone Financial Statements.
 - The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
 - (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or

invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
 - Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable to the Company with effect from April 1, 2023, Company has complied with the said rule.

For NBS & CO.

Chartered Accountants

Firm Registration No.110100W

CA Pradeep J. Shetty

Partner

Membership No. 046940

UDIN:25046940BMLNA01437

Place: Bengaluru

Date: 27-05-2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

As referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date on the standalone financial statements of **DCX Systems Limited** for the year ended March 31, 2025.

Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"):

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - (b) The major Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

- (iii) During the year the company has provided guarantee to Subsidiary. Guarantee outstanding as on balance sheet date are detailed below:

(Amount in Rs. Mn)

Particulars	Guarantees	Security	Loans	Advance in the nature of loans
Aggregate amount granted/provided during the year	1310	Nil	Nil	Nil
Balance Outstanding as at balance sheet date	1310	Nil	Nil	Nil

- (b) During the year the investment made by the company in its subsidiary and guarantees provided /Security given to its subsidiary under the terms and conditions are not prejudicial to the company's interest.
- (c) Since the company has not granted any loans and advances to any companies the requirements to reporting on this clause of the order is not applicable to the company.
- (d) Since the company has not granted any loan and advances to any companies the requirement to reporting on this clause, on overdue on loan, of the order is not applicable to the company.
- (e) Since the company has not granted any loans and advances to any companies, the requirement of reporting on this clause for renewal or extension or fresh loans granted to settle the overdue of existing loans is not applicable.
- (f) The company has not granted any loans or advance in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies accordingly, the requirement to report on clause 3(iii)(f) of the order is not applicable to the Company.

- (iv) In our opinion and according to the information and explanation given to us, there are no loans, guarantees and securities given in respect of which provisions of sections 185 and 186 of the Act are applicable. Hence, not commented upon. In our opinion and according to the information and explanations given to us, provisions of the section 186 of the Act for the investments made by the Company have been complied with by the Company.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits under section 73 to 76 of the Act. Hence, reporting under clause 3 (v) of the Order is not applicable.
- (vi) Since the company operates in a Special Economic Zone (SEZ). the rules made by the Central Government for the maintaining of Cost records under Section 148 of the Act. is not applicable to the Company. Hence reporting under this clause of the order is not applicable.
- (vii) In respect of statutory dues:
- (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute except as follows:

(Amt in Rs. Mn.)

Name of the Statute	Nature of the Dues	Amount with accrued interest	Amount Paid under protest	Period to which the amount relates	Forum
Income Tax Act, 1961	Income Tax	4.87	0.95	AY 2020-21	COMMISSIONER OF INCOME TAX (APPEALS),
Income Tax Act, 1961	Income Tax-Transfer Pricing Proceedings initiated under section 92D(3) & 92CA	115.93	-	AY 2021-22	DRP(Dispute Resolution Panel)
Central Tax	GST	2.10	-	AY 2019-20	BENGALURU:CBIC
Central Tax	GST	12.24	-	JUL 2017 - MAR 2020	BENGALURU:CBIC

- (viii) According to the information and explanations given to us and the records of the Company examined by us, as at March 31, 2025, there were no such transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest there on any lender during the year
- (b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) the company did not raise any money under any term loans during the year hence, the requirement to report clause (ix)(c) of the order is not applicable to the company
- (d) on the overall examination of the standalone financials statements of the company, no funds raised on short term basis have been used for long-term purposes by the company.
- (e) on an overall examination of the standalone financials statements of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries.
- (f) the company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirements to the report on clause (ix) (f) of the order is not applicable to the company.
- (x) (a) In our opinion and according to the information and explanations given to us, the company has utilized the money raised by way of initial public offer of shares for the purposes for which they were raised. The unutilized amounts as on the date of balance sheet are kept in a separate Fixed Deposit accounts;
- (b) According to the information and explanation given to us, the Company has made offer to Qualified Institutional Buyer's on private placement basis during the year and the company has complied with the requirements of Section 42 of companies act, 2013 and funds raised have been kept in a separate

- Fixed deposit account pending utilization. Further According to the information and explanation given to us, the Company has not made any preferential allotment of share or convertible debentures (fully, partially or optionally convertible) during the year;
- (xi) (a) According to the information and explanation given to us, any fraud by the company or any fraud on the company by its officers or employee has not been noticed or reported during the year;
- (b) In view of what is reported above the provisions of paragraph 3 (xi) (b) of the order is not applicable to the company.
- (c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;
- (xii) Company is not a Nidhi company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company
- (xiii) According to the information and explanations given to us, we are of the opinion that all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Accounting Standards and the Companies Act, 2013.
- (xiv) (a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) According to the information and explanations given to us, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.
- (xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) (a) of the order are not applicable to the company.
- (b) In our opinion, the company has not engaged in any non-banking financial or Housing Finance activities. Accordingly, the requirement to report on this clause is not applicable to the Company.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of paragraph 3 (xvi) (c) of the Order are not applicable to the company;
- (d) The company does not have any CIC as part of its group. Accordingly the provisions of paragraph 3 (xvi) of the order are not applicable to the company
- (xvii) According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, there was no unspent amount as at the Balance Sheet date that was required to be transferred to a Fund Specified in Schedule VII of the Act in compliance with the proviso to sub-section 5 of section 135 of the Act.
- (b) According to the information and explanations given to us, there are no ongoing projects and there is no amount remaining unspent under sub-section 5 of section 135 of the Act. Accordingly, reporting under clause 3 (xx) (b) of the Order is not applicable.
- (xxi) The reporting under paragraph 3 (xxi) of the order is not applicable in respect of Audit of Standalone Financial Statement. According no comment in respect of paragraph 3 (xxi) has been included in the report.

For NBS & CO.

Chartered Accountants

Firm Registration No.110100W

Pradeep Shetty

Partner

Membership No. 046940

UDIN:25046940BMLNA01437

Place: Bengaluru

Date: 27-05-2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our Independent auditor's report of even date on the financial statements of **DCX Systems Limited** for the year ended March 31, 2025)

Report on Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **DCX Systems Limited** (the 'Company') as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of internal financial controls over financial reporting with reference to these standalone financial statements

A Company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these

standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NBS & CO.

Chartered Accountants

Firm Registration No.110100W

CA Pradeep J. Shetty

Partner

Membership No. 046940

UDIN:25046940BMLNA01437

Place: Bengaluru

Date: 27-05-2025

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ In Millions, unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	2	281.87	280.01
Capital work-in-progress	2	-	-
Right-of-use assets	3	43.00	43.00
Other intangible assets	4	3.00	0.26
Financial assets			
(i) Investments	5	1,586.26	128.50
(ii) Other financial assets	6	41.65	37.27
Deferred tax assets (net)	31 (d)	11.48	23.83
Other non-current assets	7	0.50	0.50
Total non-current assets		1,967.76	513.37
Current assets			
Inventories	8	1,730.98	1,254.19
Financial assets			
(i) Trade receivables	9	1,603.60	6,670.71
(ii) Cash and cash equivalents	10	1,316.07	154.27
(iii) Bank balances other than (ii) above	11	7,810.72	8,193.30
(iv) Other financial assets	12	1.95	-
Current tax assets (net)	31 (c)	-	-
Other current assets	13	1,979.73	1,234.82
Total current assets		14,443.05	17,507.29
Total assets		16,410.81	18,020.66
EQUITY & LIABILITIES			
Equity			
Equity share capital	14	222.78	222.78
Other equity	15	11,319.00	10,966.29
Total equity		11,541.78	11,189.07
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Long Term Borrowings	16	-	-
(ii) Provisions	17	27.23	18.39
Total non-current liabilities		27.23	18.39
Current liabilities			
Financial liabilities			
(i) Borrowings	18	-	2,653.07
(ii) Trade payables	19		
a) total outstanding dues of MSME		5.74	1.63
b) total outstanding dues of creditors other than MSME		846.62	3,799.79
(iii) Other financial liabilities	20	26.36	16.74
Other current liabilities	21	3,855.27	322.78
Provisions	22	1.10	0.70
Current tax liabilities (net)	31 (c)	106.71	18.49
Total current liabilities		4,841.80	6,813.20
Total liabilities		4,869.03	6,831.59
Total equity and liabilities		16,410.81	18,020.66

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

As per our report of even date attached

For
NBS & Co.
Chartered Accountants
FRN : 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN : 00379249

Sd/-
CA. Pradeep Shetty
Partner
M No: 046940
Place: Bangalore
Date: 27-05-2025
UDIN:25046940BMLNA01437

Sd/-
Diwakaraiah N J
Executive Director and Chief Financial Officer
DIN:00427317
Place : Bangalore
Date:27-05-2025

Sd/-
Gurumurthy Hegde
Company Secretary
Membership No:A24285

STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ In Millions, unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
Revenue from operations	23	11,120.60	14,233.95
Other Income	24	675.65	462.08
Total income		11,796.25	14,696.03
Expenses			
Cost of materials Consumed	25	10,803.33	11,850.78
Changes in inventories of finished goods and work-in-progress	26	-	1,438.46
Employee benefit expenses	27	147.01	120.63
Finance cost	28	99.60	283.87
Depreciation and amortisation expenses	29	57.19	24.83
Other expenses	30	141.44	123.44
Total expenses		11,248.57	13,842.01
Profit/(loss) before Exceptional Items, and Tax		547.68	854.02
Profit before exceptional items and tax		547.68	854.02
Exceptional items			
Profit before tax		547.68	854.02
Tax expense:	31		
Current tax		181.84	149.07
Deferred tax		(5.48)	2.35
Mat Credit		14.66	21.61
Total Tax Expenses		191.02	173.03
Profit for the period (A)		356.66	680.99
Other comprehensive (loss)/ income			
i. Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		(1.81)	(2.14)
(i) Income tax relating to remeasurements of defined benefit liability / (asset)		0.63	0.37
		(1.18)	(1.77)
ii. Items that will be reclassified subsequently to profit or loss ;			
(i) The effective portion of gains and loss on hedging instruments in a cash flow hedge		-	(21.20)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	3.70
		-	(17.50)
Total Other comprehensive income (B)		(1.18)	(19.27)
Total comprehensive income for the period (A+ B)		355.48	661.72
Earnings per equity share [nominal value of ₹ 2]			
Earnings per equity share for Continuing operations			
- Basic (₹)		3.20	6.83
- Diluted (₹)		3.20	6.83
Earnings per equity share for discontinued operations			
- Basic (₹)		-	-
- Diluted (₹)		-	-
Earnings per equity share for discontinued and continuing operations			
- Basic (₹)		3.20	6.83
- Diluted (₹)		3.20	6.83
Summary of Significant Accounting policies	1		
Notes to the financial statements	2 to 47		

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

As per our report of even date attached

For
NBS & Co.
Chartered Accountants
FRN : 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN : 00379249

Sd/-
CA. Pradeep Shetty
Partner
M No: 046940
Place: Bangalore
Date: 27-05-2025
UDIN:25046940BMLNA01437

Sd/-
Diwakaraiah N J
Executive Director and Chief Financial Officer
DIN:00427317
Place : Bangalore
Date:27-05-2025

Sd/-
Gurumurthy Hegde
Company Secretary
Membership No:A24285

STANDALONE STATEMENT OF CASH FLOWS

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
A. Cash flow from operating activities		
Profit before tax	547.68	854.02
Adjustments to reconcile profit before tax to net cash flows:		
Interest on fixed deposits	(585.12)	(432.41)
Profit on sale of fixed assets	-	(0.07)
Interest on borrowings	66.44	239.00
Depreciation and amortisation expense	57.19	24.83
Remeasurement of defined employee benefit plan	(1.81)	
Operating profit before working capital changes	84.38	685.37
Movement in working capital:		
(Increase)/Decrease in trade receivables	5,067.11	(3,475.40)
(Increase)/Decrease in inventories	(476.79)	1,030.92
(Increase)/Decrease in other current assets	(744.89)	(843.53)
(Increase)/Decrease in other non current financial assets	(4.38)	(6.56)
(Increase)/Decrease in other current financial assets	(1.95)	-
Increase/(Decrease) in trade payables	(2,949.05)	2,460.32
Increase/(Decrease) in non current provisions	12.64	3.85
Increase/(Decrease) in current provisions	0.40	0.17
Increase/(Decrease) in other current financial liabilities	9.62	5.73
Increase/(Decrease) in other current liabilities	3,532.48	277.25
Cash generated from operations	4,529.57	138.12
Net income tax (paid)	(93.62)	(130.59)
Net cash from operating activities (A)	4,435.95	7.53
B. Cash flows from investing activities		
Purchase of property, plant and equipment and Other Intangible assets	(61.81)	(178.00)
Proceeds from disposal of property, plant and equipment	-	0.23
Capital work in progress and capital advance		-
Investment in Subsidiary	(1,457.76)	(62.50)
Interest received	585.12	432.41
Net cash used in investing activities (B)	(934.45)	192.14
C. Cash flows from financing activities		
Working Capital/Term Loan	(2,653.07)	(2,384.04)
Net Proceeds from issue of Shares	-	4,856.77
Fund Raising Expenses	(2.77)	-
Interest paid	(66.44)	(239.00)
Net cash used in financing activities (C)	(2,722.28)	2,233.73
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	779.22	2,433.40
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period / year	8,347.57	5,914.17
Cash and cash equivalents at the end of the period / year	9,126.79	8,347.57
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	0.00	0.00
Balances with bank		
- Current accounts	1,316.07	154.27
Other bank balances	7,810.72	8,193.30
	9,126.79	8,347.57

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

As per our report attached of even date

For
NBS & Co.
Chartered Accountants
FRN : 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN : 00379249

Sd/-
CA. Pradeep Shetty
Partner
M No: 046940
Place: Bangalore
Date: 27-05-2025
UDIN:25046940BMLNA01437

Sd/-
Diwakaraiah N J
Executive Director and Chief Financial Officer
DIN:00427317
Place : Bangalore
Date:27-05-2025

Sd/-
Gurumurthy Hegde
Company Secretary
Membership No:A24285

STANDALONE STATEMENT OF CHANGES IN EQUITY

(₹ In Millions, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of Shares*	Amount	Number of Shares*	Amount
Balance at the beginning of the reporting year	11,13,86,427.00	222.78	9,67,23,671.00	193.45
Changes in equity share capital due to prior period errors				
Balance as the the beginning of the reporting period / year	11,13,86,427.00	222.78	9,67,23,671.00	193.45
Changes in equity share capital during the period / year	-	-	1,46,62,756.00	29.33
Equity Shares issued during the year in consideration for cash	-	-	1,46,62,756.00	29.33
Balance at the end of the reporting period / year	11,13,86,427.00	222.78	11,13,86,427.00	222.78

* Number of shares are presented as absolute number.

(b) Other equity

Particulars	TOTAL OTHER EQUITY	
	For the year ended 31 March 2025	For the year ended 31 March 2024
RETAINED EARNINGS		
Balance at the beginning of current reporting year	2,421.18	1,759.46
Total comprehensive income for the year		
Profit for the year	356.66	680.99
Other comprehensive income (net of tax)		
- Remeasurements of defined benefit liability / (asset)	(1.18)	(1.77)
- Hedge Reserve		(17.50)
Total comprehensive income (A)	2,776.66	2,421.18
SECURITY PREMIUM		
Balance at the beginning of current reporting year	8,545.11	3,717.67
Proceeds from issue of Shares	-	4,970.67
Less : Public issue expenditure	(2.40)	(19.28)
Less : QIP issue expenditure	(0.37)	(123.95)
Total Security Premium (B)	8,542.34	8,545.11
Balance at the end of current reporting year (A +B)	11,319.00	10,966.29

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. Also we have appropriated the public issue and QIP issue expenditure incurred from securities premium account.

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

As per our report of even date attached

For
NBS & Co.
Chartered Accountants
FRN : 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN : 00379249

Sd/-
CA. Pradeep Shetty
Partner
M No: 046940
Place: Bangalore
Date: 27-05-2025
UDIN:25046940BMLNA01437

Sd/-
Diwakaraiah N J
Executive Director and Chief Financial Officer
DIN:00427317
Place : Bangalore
Date:27-05-2025

Sd/-
Gurumurthy Hegde
Company Secretary
Membership No:A24285

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**1. Corporate Information:**

DCX Systems 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 2025 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 May 21, 2025. 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. 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 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.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

g. 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.

h. Reclassification:

No such material reclassification done during the year.

i. 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.

j. 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

k. 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

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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.

l. 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.

m. 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.

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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 the 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 lifetime 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

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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.

n. 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.

o. 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.

p. 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.

q. 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

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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.

r. 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.

s. 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.

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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.

t. 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:

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- 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 indirectly 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.

u. 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.

v. 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

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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).

w. 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.

x. 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.

y. 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.

z. 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.

- '- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- '- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

aa. 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.

bb. Foreign Currency Transactions:

- a. Functional and presentation currency:

Items included in the Standalone Financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (INR ₹) which is also the Company functional and presentation currency of holding Company.

- b. Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from

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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 recognised in the Standalone Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

c. Exchange differences:

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise except for exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item. (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

d. Translation of financial statements of foreign operations:

On consolidation, the assets and liabilities of foreign operations are translated into (INR) at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at the exchange rates prevailing at the dates of the transactions. For practical reason, the Company uses day wise average rate (April 1st to March 31) to translate income and expense items, if average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation of foreign operation for consolidation are recognised in OCI. On disposal of

a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the statement of profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of foreign operation and translated at the spot rate of exchange the reporting date.

cc. **Forward Contracts in Foreign Currencies:**

The company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the company and the company does not use the foreign exchange forward contracts for trading or speculation purposes. The company records the gain or loss on effective hedges in the foreign currency fluctuation reserve until the transactions are complete. On completion, the gain or loss is transferred to the profit and loss account of that period. To designate a forward contract as an effective hedge, Management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognized in the profit and loss account.

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.

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

2 Property, plant and equipment

Description	Owned assets									
	Computers	Office Equip-ments	Furniture and Fixtures	Leasehold improve-ments	Tools & Equip-ments	Electrical Installa-tions	Plant & Machinery	Building	Vehicle	Total Owned assets
Gross block										
As at 1 April 2023	8.78	2.39	4.58	8.34	5.62	10.10	39.16	85.05	29.51	193.53
Additions	1.64	-	-	-	-	0.75	111.54	34.53	48.20	196.66
Disposals during the period / year	-	-	-	-	-	-	(0.41)	-	-	(0.41)
As at 31 March 2024	10.42	2.39	4.58	8.34	5.62	10.85	150.29	119.58	77.71	389.78
As at 1 April 2024	10.42	2.39	4.58	8.34	5.62	10.85	150.29	119.58	77.71	389.78
Additions	7.78	16.30	4.20	8.72	2.82	10.42	1.70	6.68	-	58.62
Disposals during the period / year	-	-	-	-	-	-	-	-	-	-
As at 31 March 2025	18.20	18.69	8.78	17.06	8.44	21.27	151.99	126.26	77.71	448.40
Accumulated depreciation										
As at 1 April 2023	6.64	2.10	2.99	8.34	4.37	6.30	25.92	22.15	6.54	85.35
Depreciation for the period / year	1.87	0.12	0.41	-	0.23	1.09	5.07	7.68	8.20	24.67
Depreciation on disposals							(0.25)			(0.25)
As at 31 March 2024	8.51	2.22	3.40	8.34	4.60	7.39	30.74	29.83	14.74	109.77
As at 1 April 2024	8.51	2.22	3.40	8.34	4.60	7.39	30.74	29.83	14.74	109.77
Depreciation for the period / year	2.58	1.30	0.55	0.16	0.36	1.52	21.73	8.88	19.67	56.76
Depreciation on disposals										
As at 31 March 2025	11.09	3.52	3.95	8.50	4.96	8.91	52.47	38.72	34.41	166.53
Net block										
As at 31 March 2025	7.11	15.17	4.83	8.56	3.48	12.36	99.52	87.55	43.30	281.87
As At 31 March 2024	1.91	0.17	1.18	(0.00)	1.02	3.46	119.55	89.75	62.97	280.01

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Title deeds of Immovable Properties

Descriptions	As at 31 March 2025	As at 31 March 2024
Title deeds held in the name of	DCX Systems Limited	DCX Systems Limited
Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	N.A.	

Refer note no. 16 and 18 for information on property, plant and equipment hypothecated as securities by the company

Refer note no.33(b) for disclosure of contractual commitment for the acquisition of property, plant and equipment.

2 Capital work-in-progress

Particulars	As at 01 April 2024	Additions	Capitalised during the period / year	As at 31 March 2025
Capital work-in-progress	-	-	-	-
Total	-	-	-	-

Capital work-in-progress as at 31 March 2025

Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years
	-	-	-	-

Particulars	As at 01 April 2023	Additions	Capitalised during the period / year	As at 31 March 2024
Capital work-in-progress	18.65	15.88	34.53	-
Total	18.65	15.88	34.53	-

Capital work-in-progress as at 31 March 2024

Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years
	-	-	-	-

3 Right-of-use assets

Particulars	Gross Block				Gross Block			Net Block		
	As at 01 April 2024	Charge for the period / year	Disposals during the period / year	As at 31 March 2025	As at 01 April 2024	Charge for the period / year	Disposals during the period / year	As at 31 March 2025	As at 01 April 2024	As at 31 March 2025
Leasehold land	43.00	-	-	43.00	-	-	-	-	43.00	43.00
Total Assets	43.00	-	-	43.00	-	-	-	-	43.00	43.00

Particulars	Gross Block				Gross Block			Net Block		
	As at 01 April 2023	Charge for the period / year	Disposals during the period / year	As at 31 March 2024	As at 01 April 2023	Charge for the period / year	Disposals during the period / year	As at 31 March 2024	As at 01 April 2023	As at 31 March 2024
Leasehold land	43.00	-	-	43.00	-	-	-	-	43.00	43.00
Total Assets	43.00	-	-	43.00	-	-	-	-	43.00	43.00

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

4 Other intangible assets

Description	Computer Software	Total
Gross block		
As at 1 April 2024	9.78	9.78
Additions	3.18	3.18
Disposals during the period / year		
As at 31 March 2025	12.96	12.96
As at 1 April 2023	9.78	9.78
Additions	-	-
Disposals during the period / year		
As at 31 March 2024	9.78	9.78
Amortisation		
As at 1 April 2024	9.52	9.52
Amortisation for the period / year	0.44	0.44
Disposal during the period / year		
As at 31 March 2025	9.96	9.96
As at 1 April 2023	9.35	9.35
Amortisation for the period / year	0.17	0.17
Disposal during the period / year		
As at 31 March 2024	9.52	9.52
Net block		
As at 31 March 2025	3.00	3.00
As at 31 March 2024	0.26	0.26

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
5 Investments		
Investment measured at cost		
Investment in wholly owned subsidiary (unquoted investments)		
Addition : During the year/period company subscribed to 9,75,000 equity shares at ₹ 205/- in "Raneal Advanced Systems Private Limited" and during the year company invested in "NIART Systems Ltd" ₹125,78,86,125. Total value of investment in both the wholly owned subsidiaries as on balance sheet date is ₹158,62,61,125/-	1,586.26	128.50
	1,586.26	128.50
(a) Aggregate book value of quoted investments	-	-
(b) Aggregate market value of quoted investments	-	-
(c) Aggregate amount of unquoted investments	1,586.26	128.50
(d) Aggregate amount of impairment in value of investments	-	-
6 Other non-current financial assets		
Fixed deposits with banks with maturity of more than 12 months	-	-
Other deposits	0.01	0.01
SBI Gratuity Trust	14.94	10.56
Security deposits	26.70	26.70
	41.65	37.27
7 Other non-current assets		
Capital advances	0.50	0.50
	0.50	0.50
8 Inventories		
(valued at lower of cost and net realisable value)		
Raw material	1,730.98	1,254.19
Stock in trade	-	-
Finished goods	-	-
Work in progress	-	-
	1,730.98	1,254.19
9 Trade receivables		
(Unsecured)		
Trade receivables considered good	1,603.60	6,672.62
Trade receivables - credit impaired	-	-
	1,603.60	6,672.62
Less: Allowance for doubtful receivables	-	(1.91)
	1,603.60	6,670.71
The above amount includes :		
Others	1,603.60	6,670.71
Receivable from related parties	-	-
Total	1,603.60	6,670.71

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

As at 31st March 2025

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	1,531.59	0.00	72.01	-	-	1,603.60
(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	-	-	-	-	-	-
	1,531.59	0.00	72.01	-	-	1,603.60

As at 31st March 2024

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	6,477.50	193.21	-	-	-	6,670.71
(ii) Undisputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	1.91	-	-	1.91
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	6,477.50	193.21	1.91	-	-	6,672.62

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
10 Cash and cash equivalents		
Balances with banks		
Current accounts	1,316.07	154.27
In deposit account (the maturity of the period of which is less than 3 months)	-	-
Cash in hand	0.00	0.00
	1,316.07	154.27
11 Bank balances other than cash and cash equivalents		
Other bank balances		
Deposits with original maturity of more than 3 months (₹1,361.10 Mn Kept as margin money with Banks and ₹669.76 Mn Unutilized proceeds from IPO and ₹3,617.78 Mn Unutilized proceeds from QIP)	7,810.72	8,193.30
	7,810.72	8,193.30
12 Other current financial assets		
MEIS incentive receivables	-	-
Forward Contract	-	-
'Rent Security Deposit	1.95	-
	1.95	-
13 Other current assets		
(Unsecured, considered good)		
Advances to suppliers*	1,941.18	1,203.78
Advance salary	0.09	0.53
Balances with statutory/government authorities	30.83	14.10
Prepaid expenses	7.63	16.41
	1,979.73	1,234.82
* Advances to suppliers includes :		
Others	360.25	622.69
Advances to related parties	1,580.94	581.09
Total	1,941.18	1,203.78

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

14 Share capital

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised :		
125,000,000 Equity Shares of ₹ 2/- Each.	250.00	250.00
	250.00	250.00
TOTAL	250.00	250.00
Issued and subscribed and paid up:		
Equity share capital		
11,13,86,427 equity shares of ₹ 2/-each	222.78	-
7,74,00,000 equity shares of ₹ 2/-each	-	193.45
Addition : During the year/period (FY 2023-24) 1,46,62,756 of equity shares issued at face value of ₹ 2/- with premium of ₹ 339/- through QIP	-	29.33
TOTAL	222.78	222.78

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

Equity share :	As at 31 March 2025	As at 31 March 2024
	Number of Shares*	Number of Shares*
Outstanding at the beginning of the year / period	11,13,86,427	9,67,23,671
Equity Shares issued during the year in consideration for cash		
IPO	-	-
Qualified Institutional Placement (QIP)	-	1,46,62,756
Preferential allotment		
Right issue (Refer note 2 below)		
Total number of shares before Sub Division	11,13,86,427	11,13,86,427
Adjustment for subdivision of shares	-	-
Bonus Issue of shares during the year #	-	-
Outstanding at the end of the year	11,13,86,427	11,13,86,427

* Number of shares are presented as absolute number.

Bonus Issue of shares

2019-20	2020-21	2021-22	2022-23	2023-24
-		**58050000	-	-

** Number of shares are presented as absolute number.

Bonus Issue of shares

Company issued Bonus shares in the ratio of 3:1 totalling to 5,80,50,000 shares during the FY 2021-22.

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.

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

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 ₹ 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 2025			As at 31 March 2024		
	Equity shares of ₹ 2 each fully paid			Equity shares of ₹ 2 each fully paid		
	Number of Shares*	Number of Shares	Changes in % of Shares	Number of Shares*	Number of Shares	Changes in % of Shares
	%			%		
M/s VNG Technology Pvt Ltd**	-	-	-	3,18,84,542	28.630%	-4.335%
M/s Raneal Technologies Pvt Ltd**	3,18,84,542	28.630%	100.00%	-	-	-
M/s NCBG Holdings Inc	2,76,29,442	24.800%	-3.830%	3,18,84,542	28.630%	-4.335%
Mr.H S Raghavendra Rao	-	-	-	56,12,558	5.04%	-0.760%

Promoters Shareholding in the Company is set out below:

	As at 31 March 2025			As at 31 March 2024		
	Equity shares of ₹ 2 each fully paid			Equity shares of ₹ 2 each fully paid		
	Number of Shares*	Number of Shares	Changes in % of Shares	Number of Shares*	Number of Shares	Changes in % of Shares
	%			%		
M/s VNG Technology Pvt Ltd**	-	-	-	3,18,84,542	28.630%	-4.335%
M/s Raneal Technologies Pvt Ltd**	3,18,84,542	28.630%	100.0%	-	-	-
M/s NCBG Holdings Inc	2,76,29,442	24.800%	-3.830%	3,18,84,542	28.630%	-4.335%
Mr.H S Raghavendra Rao	38,12,558	3.42%	-1.620%	56,12,558	5.04%	-0.760%

* Number of shares is presented as absolute number.

**Pursuant to merger scheme approved by NCLT, Ahmedabad Bench vide its order dated 11-12-2024 Company merged with Raneal Tehcnologies Pvt Ltd.

15 Other equity

	As at 31 March 2025	As at 31 March 2024
Reserves and surplus		
A. Retained earnings	2,776.66	2,421.18
B. Securities premium	8,542.34	8,545.11
	11,319.00	10,966.29

	As at 31 March 2025	As at 31 March 2024
A. Retained earnings		
Balance at the beginning of current reporting year	2,421.18	1,759.46
Profit for the year	356.66	680.99
Less: Utilized for issue of Balance Bonus Shares		
Other comprehensive (loss)/ income		
-Remeasurements of defined benefit liability / (asset) (net of tax)	(1.18)	(1.77)
-Hedge Reserve	-	(17.50)
	2,776.66	2,421.18

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
B. Securities premium		
Opening balance	8,545.11	3,717.67
Add : Proceeds from issue of Shares	-	4,970.67
Less : Public issue expenditure	(2.40)	(19.28)
Less : QIP issue expenditure	(0.37)	(123.95)
	8,542.34	8,545.11
Particulars	As at 31 March 2025	As at 31 March 2024
16 Long Term Borrowings		
Secured Working Capital Term Loan	-	-
	-	-
17 Provisions		
Provision for employee benefits		
Gratuity (Refer note no. 37 for further disclosures)	16.25	11.38
Leave encashment	10.98	7.01
Others provision		
	27.23	18.39
18 Borrowings		
Secured		
From Bank		
Working capital loan	-	2,643.67
Working Capital Demand Loan	-	9.40
	-	2,653.07
Terms and Conditions:		
<p>- For working capital limits -Paripassu First charge on all current assets of the company along with other member banks under Multiple Banking Arrangement, Paripassu First charge on all movable fixed assets of the company along with other member banks under Multiple Banking Arrangement, First paripassu charge on Industrial property of 1.5 acre of land and building in Plt no 29, 30 & 107 at hitech, aerospace & defence park devanahalli, Cash Credit/Overdraft limits are payable on demand, Export credits (drawn in foreign currency / INR) are for a tenor of 120-180 days. Interest (drawn in foreign currency) is payable @ LIBOR / SOFR plus 150 to 350 basis points & for EPC (Drawn in INR) Net interest payable (After Subvention of 3%) ranges from 4.3% to 5.6% and around 8.5% interest rate without Subvention from jan 2024 to march 2024 and for Bank Guarantee issued at Cash Margin 30% to 100 %. Corporate Guarantees are extended by Promoter Group companies.</p>		
19 Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 34)	5.74	1.63
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	846.62	3,799.79
	852.36	3,801.42

Notes :

(1) Refer note for related party disclosure.

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

As at 31 March 2025

Particular	Outstanding for following periods Particulars from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME (Only Micro Enterprises and Small Enterprises)	5.74			-	5.74
(ii) Others	829.34	0.57	0.47	16.24	846.62
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others					-
	835.08	0.57	0.47	16.24	852.36

As at 31 March 2024

Particulars	Outstanding for following periods Particulars from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.63			-	1.63
(ii) Others	3,796.56	0.06	3.17	-	3,799.79
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others					-
	3,798.19	0.06	3.17	-	3,801.42

20 Other financial liabilities	As at 31 March 2025	As at 31 March 2024
Accrued expense payable	11.14	5.80
Employee benefits payable	15.22	10.94
	26.36	16.74

21 Other current liabilities	As at 31 March 2025	As at 31 March 2024
Advance received from customers	3,847.56	314.48
Statutory dues payable	6.31	6.90
Rent Security Deposit	1.40	1.40
	3,855.27	322.78

22 Provisions	As at 31 March 2025	As at 31 March 2024
Provision for gratuity	0.56	0.40
Provision for leave encashment	0.54	0.30
	1.10	0.70

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
23 Revenue from operations		
Sale of products	11,091.74	14,299.58
Sale of services	28.86	(65.63)
	11,120.60	14,233.95
Refer note no. 38 for further disclosures.		
24 Other income		
Foreign exchange fluctuation	87.77	16.11
Interest on fixed deposits	585.12	432.41
LD Charges reversal	-	12.15
Other income	0.00	-
Profit on sale of used Asset	-	0.07
Rent received	1.80	0.72
interest income on Gratuity trust deposit	0.96	0.62
	675.65	462.08
25 Cost of materials consumed		
Opening Stock	1,254.19	846.65
Import purchases	8,337.35	4,677.84
Local purchases	2,942.77	7,580.48
Less: Closing Stock	1,730.98	1,254.19
	10,803.33	11,850.78
26 Changes in inventories of finished goods and work-in-progress		
Opening inventories		
Stock in trade	-	-
Raw materials	-	-
Finished goods	-	1,438.46
Work-in- process	-	-
Stores & spares	-	-
Total (A)	-	1,438.46
Closing Inventories		
Stock in trade	-	-
Raw materials	-	-
Finished goods	-	-
Work-in- process	-	-
Stores & spares	-	-
Total (B)	-	-
Total (A-B)	-	1,438.46

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2025	For the year ended 31 March 2024
27 Employee benefit expenses		
Employee Insurance	0.43	0.38
Encashment of earned leave	4.35	1.62
Gratuity	3.32	2.55
Salaries and wages including bonus, incentives	131.54	108.04
Staff welfare expenses	7.37	8.04
	147.01	120.63
28 Finance costs		
Bank charges	4.74	21.21
Interest on borrowings	66.43	239.00
Interest on term loan / Working Capital Term Loan	-	-
Other borrowing costs	20.49	23.66
Other Interest Cost	7.94	
	99.60	283.87
29 Depreciation and amortisation expense		
Amortisation of intangible assets (refer note 4)	0.44	0.16
Depreciation of property, plant and equipment (refer note 2)	56.75	24.67
	57.19	24.83
30 Other expenses		
Manufacturing service cost expenses		
Freight expenses	20.26	4.94
Power and fuel expenses	2.36	4.94
Repairs and maintenance	-	
Building	1.74	0.67
Machinery & others	0.85	1.52
Wages and labour charges	3.81	2.21
Water Charges	0.29	0.81
Administrative and general expenses	-	
Business promotion expenses	7.91	5.56
Communication expenses	0.65	0.56
Director Sitting Fees	1.20	1.20
Insurance	5.54	6.90
Internal Audit fees	0.80	0.60
Net loss on foreign currency translation	-	-
Others expenses	28.48	31.95
Professional & consultancy fees	36.13	50.78
Printing and stationery	0.56	0.29
Rent	0.20	
Rates and taxes	13.09	3.10
Remuneration to auditors	-	-
Statutory audit	1.50	0.70
Tax audit	-	-
Travelling and conveyance	16.07	6.71
	141.44	123.44

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

31 Taxes**(a) Statement of profit or loss**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax:		
Current income tax charge	181.84	149.07
Deferred tax	(5.48)	2.35
MAT Credit Entitlement	14.66	21.61
Income tax expense reported in the statement of profit or loss	191.02	173.03

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Deferred tax		
Remeasurements gains and losses on post employment benefits	0.63	0.37
Income tax recognised in OCI	0.63	0.37

(c) Balance sheet**Current tax assets**

Particulars	For the year ended 31 March 2025	As at 31 March 2024
Non- current tax assets	-	-
Current tax assets	-	-
Total tax assets	-	-

Current tax liabilities

Particulars	For the year ended 31 March 2025	As at 31 March 2024
Income tax (net of advance tax)	106.71	18.49
Total current tax liabilities	106.71	18.49

(d) Deferred tax liabilities / assets

Particulars	For the year ended 31 March 2025	As at 31 March 2024
Income tax relating to remeasurements of defined benefit liability / (asset)	0.86	0.23
Income tax relating to items that will be reclassified to profit or loss	-	-
Excess of depreciation/amortisation on property plant and equipment under income tax act	6.14	2.06
Gratuity provision	1.12	1.18
Leave encashment	3.36	1.90
MAT Credit	-	18.46
Net deferred tax liability/(asset)	11.48	23.83

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
Accounting profit before tax	547.68	854.02
Tax rate	34.94%	34.94%
Tax as per IT Act on above	191.38	298.43
Tax expenses (P&L)		
(i) Current tax	181.84	149.07
(ii) Deferred tax	(5.48)	2.35
(iii) MAT	14.66	21.61
	191.02	173.03
Tax expenses (OCI)	0.63	0.37
Difference (C)	(0.27)	125.03
Tax reconciliation		
Adjustments:		
Taxation in respect of earlier years	5.12	(126.98)
Effect of exemptions and deductions	(4.84)	1.95
Others		

32 Earnings Per Share

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profits attributable to equity shareholders		
Profit for the year	356.66	680.99
Basic Earnings Per Share		
number of equity shares outstanding during the year	11,13,86,427	9,96,48,210
Basic EPS (₹)	3.20	6.83
Diluted Earnings Per Share		
Profit for the year	356.66	680.99
number of equity shares outstanding during the year	11,13,86,427	9,96,48,210
Diluted EPS (₹)	3.20	6.83

Weighted average number of equity shares for Basic and Diluted Earnings Per Share	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance at the beginning of the period of Rs. 2 each (Rs 10 each for Previous year)	11,13,86,427.00	9,67,23,671.00
Issued during the period	-	1,46,62,756.00
Total	11,13,86,427.00	11,13,86,427.00
Adjustment for subdivision of shares		
Bonus Issue of shares during the year		
	11,13,86,427.00	11,13,86,427.00
Weighted average number of equity shares outstanding during the period	11,13,86,427.00	9,96,48,209.77

* Number of shares is presented as absolute number.

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

33 Contingent liabilities, contingent assets and commitments :**(a) Contingent liabilities**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Bank guarantees	4,536.99	1,660.46
Corporate Guarantee provided to wholly owned Subsidiary	1310.00	450.00
Pending Income tax litigations	120.81	102.57
Pending GST litigations	14.34	-

(b) Commitments

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Commitments Pending from IPO Proceeds*	-	198.00
Commitments Pending from QIP Proceeds	2,830.00	4,090.00

* Revised IPO object as per board resolution dated 29-03-2024 and resolution passed by the shareholder through postal ballot Friday, 03 May 2024.

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Principal amount remaining unpaid to any supplier as at the end of the period/year		
Trade payables	5.74	1.63
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.

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

35 Related Party Disclosures

(a)	List of Related Parties	Nature of relation
1	Dr. H S Raghavendra Rao	Chairman and Managing Director and Director of a Wholly Owned Subsidiary Companies (NIART Systems Limited, Israel and Raneal Advanced Systems Pvt. Ltd.)
2	Mr. Neal Jeremy Castleman	Director (during the year upto 08-10-2024)
3	Mr. Anand S	Key Managerial Personnel and Director of a Promoter company
4	M/s. VNG Technology Pvt. Ltd.	Promoter group Company (Pursuant to merger scheme approved by NCLT, Ahmedabad Bench vide its order dated 11-12-2024, VNG Technology Pvt. Ltd. merged with Raneal Tehcnologies Pvt. Ltd.)
5	M/s. NCBG Holdings Inc	Associate Company
6	M/s. DCX Chol Enterprises Inc	Common Directorship (during the year upto 08-10-2024)
7	M/s. RNSE-TRONICS Pvt. Ltd.	Promoter group Company
8	M/s. Raneal Technologies Pvt. Ltd.	Promoter group Company
9	M/s. Raneal Advanced Systems Pvt. Ltd.	Wholly Owned Subsidiary
10	Mr. Ranga K S	Chief Financial Officer and Director of a Wholly Owned Subsidiary Company (during the year FY 2023-24)
11	Mr. Diwakaraiah N J	Chief Financial Officer from 11-04-2024 and Executive Director of the Company from 28-06-2024.
12	Mr. Shiva Kumara R	Key Managerial Personnel and Director w.e.f 02-01-2025 and also Director of Promoter group company (Director of a Wholly Owned Subsidiary Company M/s. Raneal Advanced Systems Pvt. Ltd.)
13	Mr. Prasanna Kumar T S	Key Managerial Personnel
14	Mr. Nagaraj R Dhavaskar	Company Secretary, Legal and Compliance Officer (during the FY 2023-24 for year upto 31-01-2024)
15	Mr. Pramod. B	Key Managerial Personnel and Director of a Promoter group company
16	Mr. G S Manjunath	Key Managerial Personnel
17	Mr. Atul D Mutthe	Key Managerial Personnel
18	Mr. Rajanikanth K N	Key Managerial Personnel
19	Mr. Harsha H.M	Director of a Promoter group company
20	Mr. Gurumurthy Hegde	Company Secretary, Legal and Compliance Officer (from 08-02-2024 to till date)
21	M/s. NIART Systems Limited Israel	Wholly Owned Subsidiary
22	Mr. Haim Sobal	Director of Wholly Owned Subsidiary M/s. NIART Systems Limited

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

(b)

Sl. No.	Related parties	Nature of transactions	For the year ended 31 March 2025	For the year ended 31 March 2024
Purchase				
1	M/s. DCX Chol Enterprises Inc	Purchases of Raw Materials	6.12	-
2	M/s. RNSE-TRONICS Pvt. Ltd.	Purchases of Raw Materials (Excluding Taxes and duties)	78.93	1,966.02
3	M/s. Raneal Advanced Systems Pvt. Ltd.	Purchase of Raw Materials/ Capital goods	2,299.53	2,366.68
Sales				
4	M/s. DCX Chol Enterprises Inc	Export of Finished Goods	-	0.41
5	M/s. Raneal Advanced Systems Pvt. Ltd.	Sale	4,161.98	-
Investment				
6	M/s. Raneal Advanced Systems Pvt. Ltd.	Investment	199.88	62.50
7	M/s. NIART Systems Limited	Investment	1,257.89	-
Reimbursement of Expenses				
6	M/s. Raneal Advanced Systems Pvt. Ltd.	Reimbursement of Expenses	2.52	-
Income				
8	M/s. Raneal Advanced Systems Pvt. Ltd.	Services *	1.80	0.72
Expenditure				
9	Dr. H.S. Raghavendra Rao	Salary	22.89	22.89
10	Mr. Anand S	Salary	3.64	3.29
11	Mr. Ranga K S	Salary	-	5.85
12	Mr. Shiva Kumara R	Salary	5.66	5.13
13	Mr. Prasanna Kumar T S	Salary	3.83	3.48
14	Mr. Nagaraj R Dhavaskar	Salary	-	0.91
15	Mr. Pramod. B	Salary	3.64	3.29
16	Mr. G S Manjunath	Salary	2.06	1.87
17	Mr. Atul D Mutthe	Salary	1.84	1.60
18	Mr. Rajanikanth K N	Salary	1.89	1.65
19	Mr. Gurumurthy Hegde	Salary	2.02	0.25
20	Mr. Diwakaraiah N J	Salary	5.83	-
21	Mr. Harsha H.M	Professional Fee	0.78	2.48
22	Mr. Harsha H.M	Professional Fee(Arrears)	-	-
23	Mr. Harsha H.M	Reimbursement of expenses	0.08	0.30
24	Mr. Haim Sobal (Haim Sobal Consulting)	Professional Fee	12.66	-
TOTAL			8,075.47	4,449.32
Payable/(Receivable)/(Advance)				
25	M/s. DCX Chol Enterprises Inc	Payable / (Receivable)	(18.32)	(30.41)
26	M/s. RNSE-TRONICS Pvt. Ltd.	Payable / (Advance)	(62.04)	363.10
27	M/s. Raneal Advanced Systems Pvt. Ltd.	Payable / (Advance)	(1,393.07)	(550.68)
28	Dr. H S Raghavendra Rao	Salary Payable	1.10	1.10
29	Mr. Anand S	Salary Payable	0.20	0.21
30	Mr. Ranga K S	Salary Payable	-	0.31
31	Mr. Shiva Kumara R	Salary Payable	0.32	0.29
32	Mr. Prasanna Kumar T S	Salary Payable	0.23	0.20
33	Mr. Pramod. B	Salary Payable	0.22	0.19
34	Mr. G S Manjunath	Salary Payable	0.14	0.12
35	Mr. Atul D Mutthe	Salary Payable	0.10	0.12
36	Mr. Rajanikanth K N	Salary Payable	0.13	0.11
37	Mr. Gurumurthy Hegde	Salary Payable	0.13	0.13
38	Mr. Diwakaraiah N J	Salary Payable	0.38	-
39	Mr. Harsha H.M	Payable / (Advance)	0.27	0.56
40	Mr. Haim Sobal (Haim Sobal Consulting)	Payable / (Advance)	-	1.04

* Services means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode.

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

36 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at 31 March 2025							
	Carrying amount				Fair values			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trade receivables	-	-	1,603.60	1,603.60	-	-	-	-
Cash and cash equivalents	-	-	1,316.07	1,316.07	-	-	-	-
Other bank balances	-	-	7,810.72	7,810.72	-	-	-	-
Other financial assets	-	-	43.60	43.60	-	-	-	-
Total financial assets	-	-	10,773.99	10,773.99	-	-	-	-
Financial liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	852.37	852.37	-	-	-	-
Working Capital Term Loan	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	26.36	26.36	-	-	-	-
Total financial liabilities	-	-	878.73	878.73	-	-	-	-

Particulars	As at 31 March 2024							
	Carrying amount				Fair values			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trade receivables	-	-	6,670.71	6,670.71	-	-	-	-
Cash and cash equivalents	-	-	154.27	154.27	-	-	-	-
Other bank balances	-	-	8,193.30	8,193.30	-	-	-	-
Other financial assets	-	-	37.27	37.27	-	-	-	-
Total financial assets	-	-	15,055.55	15,055.55	-	-	-	-
Financial liabilities								
Borrowings	-	-	2,653.07	2,653.07	-	-	-	-
Trade payables	-	-	3,801.42	3,801.42	-	-	-	-
Working Capital Term Loan	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	16.74	16.74	-	-	-	-
Total financial liabilities	-	-	6,471.23	6,471.23	-	-	-	-

(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).

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

37 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	As at 31 March 2025	As at 31 March 2024
Provident fund		
Employer's Contribution	6.25	5.27
Administration charges	0.37	0.22
Employer's Contribution to ESI (Employee State Insurance)	0.10	0.08
	6.72	5.57

(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 amounts recognised in balance sheet for the plan.

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

Particulars	As at 31 March 2025	As at 31 March 2024
Present Value of Benefit Obligation at the Beginning of the Period	11.78	7.67
Interest cost	0.85	0.58
Current service cost	2.47	1.97
Benefits paid	(0.09)	(0.05)
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Financial Assumptions	0.87	0.44
- Due to Change in Demographic Assumptions		
- Due to Experience	0.94	1.17
Present value of obligation at the end of the period / year	16.82	11.78

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

Particulars	As at 31 March 2025	As at 31 March 2024
Fair value of plan assets at the beginning of the period / year		
Interest income		
Contributions	(0.09)	0.05
Mortality charges and taxes		
Benefits paid	0.09	(0.05)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)		
Fair value of Plan assets at end of the period / year	-	-

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Net interest cost for current period

Particulars	As at 31 March 2025	As at 31 March 2024
Interest Cost	0.85	0.58
Interest Income		-
Net Interest Cost for Current Period	0.85	0.58

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

Particulars	As at 31 March 2025	As at 31 March 2024
Current service cost	2.47	1.97
Net interest (Income)/ Expense	0.85	0.58
Net benefit expense	3.32	2.55

Amount recognised in the statement of other comprehensive income

Particulars	As at 31 March 2025	As at 31 March 2024
Re-measurement for the year - obligation (gain) / loss	1.81	1.61
Re-measurement for the year - plan assets (gain) / loss		
Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income	1.81	1.61

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

Particulars	As at 31 March 2025	As at 31 March 2024
Defined Benefit Obligation	16.82	11.78
Fair value of plan assets		
Closing net defined benefit liability/(asset)	16.82	11.78

Particulars	As at 31 March 2025	As at 31 March 2024
Current	0.56	0.40
Non-Current	16.25	11.38

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

Assumptions

Particulars	As at 31 March 2025	As at 31 March 2024
	%	%
Mortality table	100% of IALM 2012-14	100% of IALM 2012-14
Discount rate	7.21%	7.21%
Rate of increase in compensation levels	10.00%	10.00%
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%

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

A quantitative sensitivity analysis for significant assumption as at 31 March 2025 is as shown below:

Assumptions	Defined benefit obligation	
	As at 31 March 2025	
	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(1.96)	2.39
Delta effect of 1% change in rate of salary increase	1.70	(1.59)
Delta effect of 1% change in rate of employee turnover	(0.46)	0.53

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

Assumptions	Defined benefit obligation	
	As at 31 March 2024	
	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(1.34)	1.63
Delta effect of 1% change in rate of salary increase	1.27	(1.11)
Delta effect of 1% change in rate of employee turnover	(0.30)	0.34

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 time and studying its impact.

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 2025	31 March 2024
1st Following Year	0.56	0.40
2nd Following Year	0.62	0.45
3rd Following Year	0.71	0.49
4th Following Year	0.90	0.56
5th Following Year	0.78	0.96
After 5th Year	46.83	34.81

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Note 38: Revenue from contracts with customers

The Company has initially applied Ind AS 115 - Revenue from contracts with customers from 1 April 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Company has adopted Ind AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018).

After evaluation of all the live contracts as on 1st April, 2018 there is no material impact on application of Ind AS 115 on financial statements.

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Gross Sales (Contracted Price)	11,120.60	14,233.95
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	-	-
Revenue recognised	11,120.60	14,233.95

(b) Recognition of revenue as per IND AS 115

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue recognised at point in time	11,091.74	14,299.58
Revenue recognised over the period	28.86	(65.63)
Total	11,120.60	14,233.95

(c) Revenue from products:

Country / Region	For the year ended 31 March 2025	For the year ended 31 March 2024
Exports	5,173.81	11,352.93
Deemed Exports	5,856.09	2,931.41
Domestic	61.84	15.24
Total revenue	11,091.74	14,299.58

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

39 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 2025	As at 31 March 2024
Total current assets (A)	14,443.05	17,507.29
Total current liabilities (B)	4,841.80	6,813.20
Working capital (A-B)	9,601.25	10,694.09
Current Ratio:	2.98	2.57

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

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

	As at 31 March 2025			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	-	-	-	-
Trade payables	852.37	835.08	17.28	852.37
Other liabilities	26.36	25.08	1.27	26.35

	As at 31 March 2024			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,653.07	2,653.07	-	2,653.07
Trade payables	3,801.42	3,798.20	3.23	3,801.42
Other liabilities	16.74	5.73	11.02	16.74

(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 in a foreign currency.

Following is outstanding foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31 March 2025		As at 31 March 2024	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
Trade receivables				
USD	22.64	1,937.58	79.76	6,649.24
Euro				
Advance to suppliers				
USD	3.62	309.86	1.96	163.32
Euro	0.39	36.35	0.02	1.74
GBP	0.07	7.27	0.00	0.30
CHF	0.00	0.24		
Balance with banks - in EEFC accounts	14.47	1,238.09	0.80	66.89
	41.19	3,529.39	82.54	6,881.49

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

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

(ii) Financial liabilities

Financial assets	As at 31 March 2025		As at 31 March 2024	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
Trade payable				
USD	8.31	711.22	42.12	3,511.46
Euro	0.14	13.21	0.14	12.72
GBP	-	-	0.00	0.16
CHF	-	-		
Packing credit in foreign currency	-	-		
Advance from customer	20.08	1,718.22	2.46	204.73
	28.53	2,442.65	44.72	3,729.07

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

Currency wise net exposure (assets -liabilities)	As at 31 March 2025		As at 31 March 2024	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD	12.34	1,056.09	37.94	3,163.27
EUR	0.25	23.14	(0.12)	(10.98)
GBP	0.07	7.27	0.00	0.14
CHF	0.00	0.24	-	-
Total	12.66	1,086.74	37.82	3,152.43

(iv) Sensitivity analysis

	Impact on profit/equity (1% strengthening)		Impact on profit/equity (1% weakening)	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
USD	10.56	31.63	(10.56)	(31.63)
EUR	0.23	(0.11)	(0.23)	0.11
GBP	0.07	0.00	(0.07)	(0.00)
CHF	0.00	-	(0.00)	-
Total	10.86	31.52	(10.86)	(31.52)

(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 bankers.

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 2025	As at 31 March 2024
Variable rate borrowings	-	2,653.07
Fixed rate borrowings	-	-
Total borrowings	-	2,653.07

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Sensitivity analysis

Impact on profit before tax /pre- tax equity :

Particulars	As at 31 March 2025	As at 31 March 2024
Increase by 50 basis points	-	(13.27)
Decrease by 50 basis points	-	13.27

40 Capital management

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

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 2025	As at 31 March 2024
Total liabilities	4,869.03	6,831.59
Less: cash and cash equivalents and bank balances	9,126.79	8,347.57
Net debt	(4,257.76)	(1,515.98)
Total equity	11,541.78	11,189.07
Debt-equity ratio	(0.37)	(0.14)

41 Ratios as per the Schedule III requirements

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

Particulars	As at 31 March 2025	As at 31 March 2024
Current Assets	14,443.05	17,507.29
Current Liabilities	4,841.80	6,813.20
Ratio (Times)	2.98	2.57
% Change from previous period / year	16.09%	40.05%

With increase in Inventory holding and advance to supplier,also owening to Zero debt has resulted in the change when compared to previous year.

(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 2025	As at 31 March 2024
Total Debt	-	2,653.07
Total Equity	11,541.78	11,189.07
Ratio (Times)	-	0.24
% Change from previous period / year	100.00%	73.31%

The company has paid off all its borrowings has resulted in the change when compared to previous year.

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

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

Particulars	As at 31 March 2025	As at 31 March 2024
Profit for the year	356.66	680.99
Total Equity	11,541.78	11,189.07
Ratio	3.09%	6.09%
% Change from previous period / year	-49.23%	-52.07%

With increase in shareholders' equity and reduction profit in during the year, the ratio has decreased compared to previous year.

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

Particulars	As at 31 March 2025	As at 31 March 2024
Cost of materials consumed	10,803.33	13,289.23
Closing Inventory	1,730.98	1,254.19
Inventory Turnover Ratio	6.24	10.60
% Change from previous period / year	-41.10%	116.34%

With increase in Inventory holding has resulted in the ratio change when compared to previous year.

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

Particulars	As at 31 March 2025	As at 31 March 2024
Credit Sales	11,120.60	14,233.95
Closing Trade Receivables	1,603.60	6,670.71
Trade Receivable Turnover Ratio	6.93	2.13
Ratio (Days)	52.63	171.06
	-69.23%	-83.87%

Turnover for the year was decreased 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 2025	As at 31 March 2024
Cost of Material purchased	10,803.33	11,850.78
Closing Trade Payables	852.36	3,801.42
Trade Payables Turnover Ratio	12.67	3.12
Ratio (Days)	28.80	117.08
% Change from previous period / year	-75.40%	202.11%

With advance payment to suppliers resulted in ratio changes

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

Particulars	As at 31 March 2025	As at 31 March 2024
Revenue from operations	11,120.60	14,233.95
Net Working Capital	9,601.25	13,347.16
Ratio (Times)	1.16	1.07
% Change from previous period / year	8.61%	-11.45%

With the reduction in total debt to zero during the year, the ratio has increased compared to previous year.

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

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

Particulars	As at 31 March 2025	As at 31 March 2024
Profit for the year	356.66	680.99
Revenue from operations	11,120.60	14,233.95
Ratio (%)	3.21	4.78
% Change from previous period / year	-32.96%	-16.71%

With reduction in turnover and owing to change in product mix resulted in decrease in profit.

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

Particulars	As at 31 March 2025	As at 31 March 2024
Profit/(Loss) Before Tax (A)	547.68	854.02
Forex Loss (B)	-	-
Other Income (C)	675.65	462.08
Finance Costs (D)	99.60	283.87
Net Income before Interest (D) = (A)+(B)- (C) +(D)	(28.37)	675.81
Total Assets (E)	16,410.81	18,020.66
Current Liabilities (F)	4,841.80	4,160.13
Current Investments (G)	-	-
Capital Employed (H)=(E)-(F)-(G)	11,569.01	13,860.53
Ratio (D)/(H) (%)	-0.25%	4.88%
Change in basis points (bps) from previous period / year	-105.03%	-52.99%

With the decrease in the profit during the year resulted in ratio changes.

42 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.

43 Corporate social responsibility

Sr. No	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
1	CSR Amount Required to be spent for the year	16.42	13.44
2	CSR Amount unspent/(Excess spent for set-off) for the past year	(0.05)	(0.29)
		16.37	13.15
	Spent during the year	16.50	13.20
	Amount unspent/(Available for set-off in succeeding financial year)	(0.13)	(0.05)

Sr. No	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
1	JSS Mahavidyapeetha	14.50	12.70
2	Sri Sai Karunamayi deva charitable Trust R	-	0.50
3	Shree Ganesh Seva Trust for Exceptional Persons	1.00	-
4	Sanmitra Trust	1.00	-
	Total	16.50	13.20

NOTES TO STANDALONE FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

44. Pending Litigation

Name of the Statute	Nature of the Dues	Amount with accrued interest	Amount Paid under protest	Period to which the amount relates	Forum
Income Tax Act, 1961	Income Tax	4.87	0.95	AY 2020-21	COMMISSIONER OF INCOME TAX (APPEALS),
Income Tax Act, 1961	Income Tax-Transfer Pricing Proceedings initiated under section 92D(3) & 92CA	115.93	-	AY 2021-22	DRP(Dispute Resolution Panel)
Central Tax	GST	2.10	-	AY 2019-20	BENGALURU:CBIC
Central Tax	GST	12.24	-	JUL 2017 - MAR 2020	BENGALURU:CBIC

45 The company has entered joint venture agreement with Elta Systems Ltd an Israeli company with an office and principal place of business at Yitzhak hanassi Boulevard, Ashdod Israel on August 30th 2023 and incorporated a company named as NIART Systems Limited on 15-10-2023 in Israel.

45A The company had raised ₹ 5,000 Mn on 19-01-2024, through Qualified Institutional Placement Successfully for its growth plan out of which the proceeds amounting to ₹ 3,617.78 Mn is pending for utilization.

46 Previous year's figures have been regrouped/reclassified wherever necessary to conform current year's presentation. The Company does not have any Exceptional Item to report for the current period.

47 The financial statements has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 27, 2025.

For
NBS & Co.
Chartered Accountants
FRN : 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN : 00379249

Sd/-
CA. Pradeep Shetty
Partner
M No: 046940
Place: Bangalore
Date: 27-05-2025
UDIN:25046940BMLNA01437

Sd/-
Diwakaraiah N J
Executive Director and Chief Financial Officer
DIN:00427317
Place : Bangalore
Date:27-05-2025

Sd/-
Gurumurthy Hegde
Company Secretary
Membership No:A24285

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To

The Members of

DCX Systems Limited

Report on the audit of the Consolidated Financial Statements

for the year ended March 31, 2025

Opinion

We have audited the accompanying Consolidated Financial Statements of DCX Systems Limited ("the Holding Company") and its subsidiary (the Holding company and its subsidiaries together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2025, its consolidated loss and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the Financial year ended March 31, 2025. We have determined that there are no key audit matters to communicate in our report.

Information other than the Consolidated Financial Statements and Auditors' Report thereon.

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of

the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management of the holding company is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the holding company are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of the subsidiaries included in the statement, whose Financial Results excluding consolidation eliminations reflect Group's share of total assets of Raneal Advanced Systems Private Limited ₹2,119.28 Mn and NIART Systems LTD ₹4,381.66 Mn as at March 31, 2025, Group's share of total revenue from operation of Raneal Advanced Systems Private Limited for the quarter and year ended March 31, 2025 ₹3,518.55 Mn and ₹6,177.62 Mn and NIART Systems LTD ₹NIL and NIL. Group's share of total net profit after tax of Raneal Advanced Systems Private Limited ₹108.49 Mn and ₹112.33 Mn and NIART Systems LTD ₹7.75 Mn and (₹80.22 Mn) and total comprehensive income of Raneal Advanced Systems Private Limited ₹108.46 Mn and ₹112.30 Mn and NIART Systems LTD ₹182.33 Mn and ₹94.32 Mn for the quarter and year ended March 31, 2025, respectively and net cash flows of Raneal Advanced Systems Private Limited (₹48.47 Mn) and NIART Systems LTD ₹610.49 Mn for the year ended March 31, 2025. These financial statements have been audited by other independent auditors whose reports have been furnished to us by the management

of the Holding Company and has been relied upon by us for the purpose of our audit and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report.

Our opinion is not modified in respect of the above matters.

Report On Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Holding Company has disclosed the impact of pending litigations on its financial position

in its consolidated financial statements (Refer note no. 45 to the consolidated financial statements);

- ii. The Holding Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company has not entered into derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2025.
- iv. (a) The management of the Holding company and its subsidiary which is incorporated in India, whose financials statements have been audited under the Act, has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management of the Holding Company and its subsidiary which is incorporated in India, whose financials statements have been audited under the Act, has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- h. No dividend has been declared or paid during the year by the company.
- i. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable to the Company with effect from April 1, 2023, Holding company has complied with the said rule.
- j. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report)

Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143 (11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For NBS & CO.

Chartered Accountants

Firm Registration No.110100W

CA Pradeep J. Shetty

Partner

Membership No. 046940

UDIN:25046940BMLNAP1921

Place: Bengaluru

Date: 27-05-2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our Independent auditors report of even date on the financial statements of **DCX Systems Limited** for the year ended March 31, 2025

Report on Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of DCX Systems Limited ("the Holding Company") as of March 31, 2025 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's responsibility for internal financial controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NBS & CO.

Chartered Accountants
Firm Registration No.110100W

CA Pradeep J. Shetty

Partner
Membership No. 046940
UDIN:25046940BMLNAP1921
Place: Bengaluru
Date: 27-05-2025

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ In Millions, unless otherwise stated)

	Note	31 March 2025	31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	2	621.75	555.58
Capital work-in-progress	2	-	-
Right-of-use assets	3	71.73	43.00
Other intangible assets	4	2,771.81	0.26
Financial assets			
(i) Investments	5	-	-
(ii) Other financial assets	6	50.16	37.28
Deferred tax assets (net)	31 (d)	14.68	23.41
Other non-current assets	7	0.50	0.50
Total non-current assets		3,530.63	660.03
Current assets			
Inventories	8	2,889.68	2,034.98
Financial assets			
(i) Trade receivables	9	1,651.89	6,670.71
(ii) Cash and cash equivalents	10	1,938.28	214.46
(iii) Bank balances other than (ii) above	11	8,096.69	8,193.80
(iv) Other financial assets	12	8.84	0.16
Current tax assets (net)	31 (c)	-	-
Other current assets	13	924.66	699.28
Total current assets		15,510.04	17,813.39
Total assets		19,040.67	18,473.42
EQUITY & LIABILITIES			
Equity			
Equity share capital	14	222.78	222.78
Other equity	15	13,529.53	11,039.75
Total equity		13,752.31	11,262.53
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Long Term Borrowings	16	-	202.04
(ii) Provisions	17	29.52	19.17
(iii) Lease Liabilities	18 (a)	22.08	-
Total non-current liabilities		51.60	221.21
Current liabilities			
Financial liabilities			
(i) Borrowings	18	0.23	2,703.93
(ii) Trade payables	19		
a) total outstanding dues of MSME		9.52	9.30
b) total outstanding dues of creditors other than MSME		1,002.22	3,910.79
(iii) Other financial liabilities	20	232.76	19.90
Other current liabilities	21	3,857.40	321.60
Provisions	22	1.12	0.71
Lease Liabilities	22 (a)	15.22	-
Current tax liabilities (net)	31 (c)	118.29	23.45
Total current liabilities		5,236.76	6,989.68
Total liabilities		5,288.36	7,210.89
Total equity and liabilities		19,040.67	18,473.42

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

As per our report of even date attached

For
NBS & Co.
Chartered Accountants
FRN : 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN : 00379249

Sd/-
CA. Pradeep Shetty
Partner
M No: 046940
Place: Bangalore
Date: 27-05-2025
UDIN:25046940BMLNAP1921

Sd/-
Diwakaraiah N J
Executive Director and Chief Financial Officer
DIN:00427317
Place : Bangalore
Date:27-05-2025

Sd/-
Gurumurthy Hegde
Company Secretary
Membership No:A24285

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ In Millions, unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
Revenue from operations	23	10,836.71	14,235.83
Other Income	24	800.26	496.45
Total income		11,636.97	14,732.28
Expenses			
Cost of materials Consumed	25	10,359.71	11,727.84
Changes in inventories of finished goods and work-in-progress	26	-	1,438.46
Employee benefit expenses	27	233.62	139.00
Finance cost	28	108.94	297.99
Depreciation and amortisation expenses	29	133.71	51.30
Other expenses	30	197.26	131.61
Total expenses		11,033.24	13,786.20
Profit/(loss) before Exceptional Items, and Tax		603.73	946.08
Public Issue Expenses		-	-
Profit before exceptional items and tax		603.73	946.08
Exceptional items		-	-
Profit before tax		603.73	946.08
Tax expense:	31		
Current tax		209.39	163.88
Deferred tax		(9.08)	2.76
Mat Credit		14.66	21.61
Total Tax Expenses		214.97	188.25
Profit for the period (A)		388.76	757.83
Other comprehensive (loss)/ income			
i. Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		(1.84)	(2.14)
(ii) Income tax relating to remeasurements of defined benefit liability / (asset)		0.64	0.37
		(1.20)	(1.77)
ii. Items that will be reclassified subsequently to profit or loss ;			
(i) The effective portion of gains and loss on hedging instruments in a cash flow hedge		-	(21.20)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	3.70
		-	(17.50)
iii. Items that will be reclassified subsequently to profit or loss ;			
(i) Exchange differences on translating the financials		86.79	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		86.79	-
Total Other comprehensive income (B)		85.59	(19.27)
Total comprehensive income for the period (A+ B)		474.35	738.56
Profit attributable to:			
Owners of the Company	100%	388.76	757.83
Non-controlling interests	0%	-	-
		388.76	757.83
Other Comprehensive Income attributable to:			
Owners of the Company	100%	85.59	(19.27)
Non-controlling interests	0%	-	-
		85.59	(19.27)
Total comprehensive income attributable to:			
Owners of the Company		474.35	738.56
Non-controlling interests		-	-
		474.35	738.56
Earnings per equity share [nominal value of ₹ 2]			
Earnings per equity share for Continuing operations			
- Basic (₹)		3.49	7.61
- Diluted (₹)		3.49	7.61
Earnings per equity share for discontinued operations			
- Basic (₹)		-	-
- Diluted (₹)		-	-
Earnings per equity share for discontinued and continuing operations			
- Basic (₹)		3.49	7.61
- Diluted (₹)		3.49	7.61
Summary of Significant Accounting policies	1		
Notes to the financial statements	2 to 46		

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

As per our report of even date attached

For
NBS & Co.
Chartered Accountants
FRN : 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN : 00379249

Sd/-
CA. Pradeep Shetty
Partner
M No: 046940
Place: Bangalore
Date: 27-05-2025
UDIN:25046940BMLNAP1921
208

Sd/-
Diwakaraiah N J
Executive Director and Chief Financial Officer
DIN:00427317
Place : Bangalore
Date:27-05-2025

Sd/-
Gurumurthy Hegde
Company Secretary
Membership No:A24285

CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
A. Cash flow from operating activities		
Profit before tax	603.73	946.08
Adjustments to reconcile profit before tax to net cash flows:		
Income tax expense recognised in profit and loss (continuing and discontinued operations)		
Interest on fixed deposits	(616.13)	(432.83)
Profit on sale of fixed assets	-	(0.07)
Interest on borrowings	71.35	249.93
Depreciation and amortisation expense	133.71	51.30
Exchange differences on translating the financials	86.79	-
Lease liability interest expenses paid	1.86	-
Remeasurements of defined benefit	(1.84)	
Operating profit before working capital changes	279.47	814.41
Movement in working capital:		
(Increase)/Decrease in trade receivables	5,018.82	(3,475.40)
(Increase)/Decrease in inventories	(854.71)	256.64
(Increase)/Decrease in other current assets	(225.38)	(252.79)
(Increase)/Decrease in other non current financial assets	(12.89)	(6.58)
(Increase)/Decrease in other current financial assets	(8.68)	(0.06)
Increase/(Decrease) in trade payables	(2,908.36)	2,557.55
Increase/(Decrease) in non current provisions	14.17	4.63
Increase/(Decrease) in current provisions	0.41	0.18
Increase/(Decrease) in other current financial liabilities	212.85	8.75
Increase/(Decrease) in other current liabilities	3,535.80	277.41
Increase/(Decrease) in other non current lease liabilities	22.08	-
Increase/(Decrease) in current lease liabilities	-	-
Cash generated from operations	5,073.58	184.74
Net income tax (paid)	(114.56)	(140.43)
Net cash from operating activities (A)	4,959.02	44.31
B. Cash flows from investing activities		
Purchase of property, plant and equipment and Other Intangible assets	(3,000.15)	(445.58)
Proceeds from disposal of property, plant and equipment	-	0.23
Interest received	616.13	432.83
Lease liability interest expenses paid	(1.86)	
Net cash used in investing activities (B)	(2,385.88)	(12.52)
C. Cash flows from financing activities		
Working Capital/Term Loan	(2,905.73)	(2,188.84)
Net Proceeds from issue of Shares	-	4,856.77
Fund Raising Expenses	(2.77)	-
Share warrant	2,018.20	-
Interest paid	(71.35)	(249.93)
Increase/(Decrease) in current lease liabilities	15.22	
Net cash used in financing activities (C)	(946.43)	2,418.00
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1,626.71	2,449.79
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period / year	8,408.26	5,958.47
Cash and cash equivalents at the end of the period / year	10,034.97	8,408.26
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	0.00	0.00
Balances with bank		
- Current accounts	1,938.28	214.46
Other bank balances	8,096.69	8,193.80
	10,034.97	8,408.26

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

As per our report attached of even date

For
NBS & Co.
Chartered Accountants
FRN : 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN : 00379249

Sd/-
CA. Pradeep Shetty
Partner
M No: 046940
Place: Bangalore
Date: 27-05-2025
UDIN:25046940BMLNAP1921

Sd/-
Diwakaraiah N J
Executive Director and Chief Financial Officer
DIN:00427317
Place : Bangalore
Date:27-05-2025

Sd/-
Gurumurthy Hegde
Company Secretary
Membership No:A24285

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in ₹ Millions, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of Shares*	Amount	Number of Shares*	Amount
Balance at the beginning of the reporting year	11,13,86,427	222.78	9,67,23,671	193.45
Changes in equity share capital due to prior period errors			-	-
Balance as the the beginning of the reporting period / year	11,13,86,427	222.78	9,67,23,671	193.45
Changes in equity share capital during the period / year	-	-	1,46,62,756	29.33
Equity Shares issued during the year in consideration for cash	-	-	1,46,62,756	29.33
Balance at the end of the reporting period / year	11,13,86,427	222.78	11,13,86,427	222.78

* Number of shares are presented as absolute number.

(b) Other equity

Particulars	TOTAL OTHER EQUITY	
	For the year ended 31 March 2025	For the year ended 31 March 2024
RETAINED EARNINGS		
Balance at the beginning of current reporting year	2,494.64	1,756.08
Total comprehensive income for the year		
Profit for the year	388.76	757.83
Other comprehensive income (net of tax)		
- Remeasurements of defined benefit liability / (asset)	(1.20)	(1.77)
-Hedge Reserve	-	(17.50)
-Exchange differences on translating the financials	86.79	
Total comprehensive income (A)	2,968.99	2,494.64
SECURITY PREMIUM		
Balance at the beginning of current reporting year	8,545.11	3,717.68
Proceeds from issue of Shares	0.00	4,970.67
Add:Instrument entirely in the nature of equity (Warrant - Equity - ELTA)	2,018.20	
Less : Public issue expenditure	(2.40)	(19.29)
Less : QIP issue expenditure	(0.37)	(123.95)
Total Security Premium (B)	10,560.54	8,545.11
Balance at the end of current reporting year (A +B)	13,529.53	11,039.75

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.Also we have appropriate the public issue and QIP issue expenditure incurred from securities premium account.

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

As per our report of even date attached.

For
NBS & Co.
Chartered Accountants
FRN : 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN : 00379249

Sd/-
CA. Pradeep Shetty
Partner
M No: 046940
Place: Bangalore
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Sd/-
Diwakaraiah N J
Executive Director and Chief Financial Officer
DIN:00427317
Place : Bangalore
Date:27-05-2025

Sd/-
Gurumurthy Hegde
Company Secretary
Membership No:A24285

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**1. Corporate Information:**

DCX Systems 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 consolidated 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 Consolidated Financial Statements:**

The consolidated financial statements, for the financial year 31 March 2025 were prepared based on the accounting standards under IND AS framework.

b. Statement of Compliance:

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

d. Basis of Measurement:

The consolidated 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 consolidated financial statements are prepared on a going concern basis using the accrual concept except

for the consolidated cash flow information. The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements. The said accounts has been approved by the Board of Directors at their meeting held on May 21, 2025. 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 consolidated 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 consolidated financial statements are included in relevant notes.

f. 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 consolidated financial statements. Based on this evaluation, management believes that the company will be able to continue as a going concern in the foreseeable future from the date of these consolidated financial statements. Accordingly, the consolidated financial statements do not include any adjustments regarding the recoverability and classification of the carrying

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

amount of assets and classification of liabilities that might result, should the company be unable to continue as a going concern.

g. **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.

h. **Reclassification:**

No such material reclassification done during the year.

i. **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 derecognized 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 consolidated 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 consolidated statement of profit and loss.

j. **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

k. **Impairment of Assets:**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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.

I. 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 consolidated 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.

m. 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 consolidated 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 consolidated Financial Statements are categorized

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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 Consolidated 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 lifetime 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.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**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 Consolidated 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 Consolidate 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 Consolidated 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.

n. 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.

o. 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.

p. Cash Flows and Cash and Cash Equivalents:

Consolidated 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 consolidated 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 book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the consolidated balance sheet for the purpose of presentation.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

q. 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 consolidated balance sheet date and are adjusted to reflect the current management estimate.

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

r. 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.

s. 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.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

'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 consolidated 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.

t. Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Consolidated 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 off the recognised

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated Statement of profit and loss, except to the extent that it relates to items recognized in Other comprehensive income are 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 Consolidated 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.

u. 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 consolidated 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

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

an actuarial valuation model made at the end of the financial year.

v. 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 at 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).

w. 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.

x. 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.

y. 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.

z. 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.

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

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

aa. 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.

bb. Foreign Currency Transactions:

- a. Functional and presentation currency:

Items included in the Consolidated Financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

currency'). The Consolidated Financial Statements are presented in Indian rupee (INR ₹) which is also the Company functional and presentation currency of holding Company.

b. Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. 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 recognised in the Consolidated Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

c. Exchange differences:

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise except for exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item. (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

d. Translation of financial statements of foreign operations:

On consolidation, the assets and liabilities of foreign operations are translated into (INR ₹) at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at the exchange rates prevailing at the dates of the transactions. For practical reason, the Company uses day wise average

rate (April 1st to March 31) to translate income and expense items, if average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation of foreign operation for consolidation are recognised in OCI.

On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the statement of profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of foreign operation and translated at the spot rate of exchange the reporting date.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Company disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Company disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

cc. Forward Contracts in Foreign Currencies

The company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the company and the company does not use the foreign exchange forward contracts for trading or speculation purposes. The company records the gain or loss on effective hedges in the foreign currency fluctuation reserve until the transactions are complete. On completion, the gain or loss is transferred to the profit and loss account of that period. To designate a forward contract as an effective hedge, Management objectively evaluates and evidences with appropriate

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognized in the profit and loss account.

dd. Government Grants and Subsidies:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

2 Property, plant and equipment

Description	Owned assets											Total Owned assets
	Server	Com-puters	Office Equip-ments	Furni-ture and Fixtures	Lease-hold improve-ments	Tools & Equip-ments	Electrical Installa-tions	Plant & Machin-ery	Building	Vehicle	Moulds & dies	
Gross block												
As at 1 April 2023	-	8.79	2.39	4.58	8.34	5.71	10.10	39.30	85.05	29.50	-	193.76
Additions	2.18	5.75	0.61	2.29	-	6.47	33.55	297.98	101.45	48.20	-	498.48
Disposals during the period / year								(0.41)	-	-		(0.41)
As at 31 March 2024	2.18	14.54	3.00	6.87	8.34	12.18	43.65	336.87	186.50	77.70	-	691.83
As at 1 April 2024	2.18	14.54	3.00	6.87	8.34	12.18	43.65	336.87	186.50	77.70	-	691.83
Additions	-	24.76	16.77	4.92	8.72	90.67	12.40	14.88	17.13	-	0.01	190.26
Disposals during the period / year												
As at 31 March 2025	2.18	39.30	19.77	11.79	17.06	102.85	56.05	351.75	203.63	77.70	0.01	882.09
Accumulated depreciation												
As at 1 April 2023	-	6.64	2.09	2.99	8.34	4.38	6.30	25.93	22.15	6.54	-	85.36
Depreciation for the period / year	0.43	3.21	0.25	0.70	-	0.71	4.94	22.04	10.66	8.20		51.14
Depreciation on disposals								(0.25)				(0.25)
As at 31 March 2024	0.43	9.85	2.34	3.69	8.34	5.09	11.24	47.72	32.81	14.74	-	136.25
As at 1 April 2024	0.43	9.85	2.34	3.69	8.34	5.09	11.24	47.72	32.81	14.74	-	136.25
Depreciation for the period / year	0.68	9.10	1.56	1.09	0.16	12.96	9.10	53.94	15.83	19.67	0.00	124.09
Disposals during the period / year												-
As at 31 March 2025	1.11	18.95	3.90	4.78	8.50	18.05	20.34	101.66	48.64	34.41	0.00	260.34
Net block												
As at 31 March 2025	1.07	20.35	15.87	7.01	8.56	84.80	35.71	250.09	155.00	43.29	0.01	621.75
As At 31 March 2024	1.75	4.69	0.66	3.18	(0.00)	7.09	32.41	289.15	153.69	62.96	-	555.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Title deeds of Immovable Properties

Descriptions	As at 31 March 2025	As at 31 March 2024
Title deeds held in the name of	DCX Systems Limited	
Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	N.A.	

Refer note no. 16 and 18 for information on property, plant and equipment hypothecated as securities by the company

Refer note no.43(b) for disclosure of contractual commitment for the acquisition of property, plant and equipment.

2 Capital work-in-progress

Particulars	As at 01 April 2024	Additions	Capitalised during the period / year	As at 31 March 2025
Capital work-in-progress	-	-	-	-
Total	-	-	-	-

Capital work-in-progress as at 31 March 2025

Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years
	-	-	-	-

Particulars	As at 01 April 2023	Additions	Capitalised during the period / year	As at 31 March 2024
Capital work-in-progress	52.90	317.68	370.58	-
Total	52.90	317.68	370.58	-

Capital work-in-progress as at 31 March 2024

Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years
	-	-	-	-

3 Right-of-use assets

Particulars	Gross Block				Gross Block			Net Block		
	As at 01 April 2024	Charge for the period / year	Disposals during the period / year	As at 31 March 2025	As at 01 April 2024	Charge for the period / year	Disposals during the period / year	As at 31 March 2025	As at 01 April 2024	As at 31 March 2025
Leasehold land	43.00	44.27	6.36	80.91	-	9.18	-	9.18	43.00	71.73
Total Assets	43.00	44.27	6.36	80.91	-	9.18	-	9.18	43.00	71.73

Particulars	Gross Block				Gross Block			Net Block		
	As at 01 April 2023	Charge for the period / year	Disposals during the period / year	As at 31 March 2024	As at 01 April 2023	Charge for the period / year	Disposals during the period / year	As at 31 March 2024	As at 01 April 2023	As at 31 March 2024
Leasehold land	43.00	-	-	43.00	-	-	-	-	43.00	43.00
Total Assets	43.00	-	-	43.00	-	-	-	-	43.00	43.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

4 Other intangible assets

Description	Computer Software	Total
Gross block		
As at 1 April 2024	9.78	9.78
Additions	2,771.99	2,771.99
Disposals during the period / year		
As at 31 March 2025	2,781.77	2,781.77
As at 1 April 2023	9.78	9.78
Additions	-	-
Disposals during the period / year	-	-
As at 31 March 2024	9.78	9.78
Amortisation		
As at 1 April 2024	9.52	9.52
Amortisation for the period / year	0.44	0.44
Disposal during the period / year		
As at 31 March 2025	9.96	9.96
As at 1 April 2023	9.35	9.35
Amortisation for the period / year	0.17	0.17
Disposal during the period / year	-	-
As at 31 March 2024	9.52	9.52
Net block		
As at 31 March 2025	2,771.81	2,771.81
As at 31 March 2024	0.26	0.26

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
5 Investments		
Investment measured at cost		
Investment in wholly owned subsidiary (unquoted investments)		
Addition : During the year/period company subscribed to 9,75,000 equity shares at Rs 205/- in "Raneal Advanced Systems Private Limited" and during the year company invested in "NIART Systems Ltd" Rs 125,78,86,125. Total value of investment in both the wholly owned subsidiaries as on balance sheet date is Rs 158,62,61,125/-	-	-
	-	-
(a) Aggregate book value of quoted investments	-	-
(b) Aggregate market value of quoted investments	-	-
(c) Aggregate amount of unquoted investments	-	-
(d) Aggregate amount of impairment in value of investments	-	-
6 Other non-current financial assets		
Receivable on account of lease	8.42	-
Other deposits	0.01	0.01
SBI Gratuity Trust	14.94	10.57
Security deposits	26.79	26.70
	50.16	37.28
7 Other non-current assets		
Capital advances	0.50	0.50
	0.50	0.50
8 Inventories		
(valued at lower of cost and net realisable value)		
Raw material	2,889.68	2,034.98
Stock in trade	-	-
Finished goods	-	-
Work in progress	-	-
	2,889.68	2,034.98
9 Trade receivables		
(Unsecured)		
Trade receivables considered good	1,651.89	6,672.62
Trade receivables - credit impaired	-	-
	1,651.89	6,672.62
Less: Allowance for doubtful receivables	-	(1.91)
	1,651.89	6,670.71
The above amount includes :		
Others	1,651.89	6,670.71
Receivable from related parties	-	-
Total	1,651.89	6,670.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

As at 31 March 2025

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	1,579.88	0.00	72.01	-	-	1,651.89
(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	-	-	-	-	-	-
	1,579.88	0.00	72.01	-	-	1,651.89

As at 31 March 2024

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	6,477.50	193.21	-	-	-	6,670.71
(ii) Undisputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	1.91	-	-	1.91
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	6,477.50	193.21	1.91	-	-	6,672.62

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
10 Cash and cash equivalents		
Balances with banks		
Current accounts	1,329.07	214.46
In deposit account (the maturity of the period of which is less than 3 months)		-
Term deposits account	609.21	
Cash in hand	0.00	0.00
	1,938.28	214.46
11 Bank balances other than cash and cash equivalents		
Other bank balances		
Deposits with original maturity of more than 3 months (₹ 1,361.10 Mn Kept as margin money with Banks and ₹ 669.76 Mn Unutilized proceeds from IPO and ₹ 3,617.78 Mn Unutilized proceeds from QIP)	8,096.69	8,193.80
Deposit - Kept as margin money against LC	-	-
	8,096.69	8,193.80
12 Other current financial assets		
Interest receivable (from fixed deposits with banks)	4.94	0.16
MEIS incentive receivables	-	
Share amount receivables	-	-
Lease Deposit	3.90	
	8.84	0.16
13 Other current assets		
(Unsecured, considered good)		
Advances to suppliers	828.98	666.53
Advance salary	0.09	0.53
Balances with statutory/government authorities	85.24	14.77
Prepaid expenses	10.35	17.45
	924.66	699.28
Advances to suppliers includes :		
Others	674.97	636.12
Advances to related parties(After adjusting mutual ownings)	154.01	30.41
Total	828.98	666.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

14 Share capital

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised :		
125,000,000 Equity Shares of ₹ 2/- Each	250.00	250.00
	250.00	250.00
TOTAL	250.00	250.00
Issued and subscribed and paid up:		
Equity share capital		
11,13,86,427 equity shares of ₹ 2/-each	222.78	-
7,74,00,000 equity shares of ₹ 2/-each	-	193.45
Addition : During the year/period 1,46,62,756 of equity shares issued at face value of ₹ 2/- with premium of ₹ 339/- through QIP	-	29.33
TOTAL	222.78	222.78

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

Equity share :	As at 31 March 2025	As at 31 March 2024
	Number of Shares*	Number of Shares*
Outstanding at the beginning of the year / period	11,13,86,427	9,67,23,671
Equity Shares issued during the year in consideration for cash		
IPO	-	-
Qualified Institutional Placement(QIP)	-	1,46,62,756
Preferential allotment		-
Right issue		-
Total number of shares before Sub Division	11,13,86,427	11,13,86,427
Adjustment for subdivision of shares		-
Bonus Issue of shares during the year #		-
Outstanding at the end of the year	11,13,86,427	11,13,86,427

* Number of shares are presented as absolute number.

Bonus Issue of shares

Company issued Bonus shares in the ratio of 3:1 totalling to 5,80,50,000 shares during the FY 2021-22.

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 ₹ 2.00 each and each holder of the equity share is entitled to one vote per share.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

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

	As at 31 March 2025			As at 31 March 2024		
	Equity shares of ₹ 2 each fully paid			Equity shares of ₹ 2 each fully paid		
	Number of Shares*	Number of Shares %	Changes in % of Shares	Number of Shares*	Number of Shares %	Changes in % of Shares
M/s VNG Technology Pvt Ltd**	-	-	-	3,18,84,542	28.630%	-4.335%
M/s Raneal Technologies Pvt Ltd**	3,18,84,542	28.63%	100.000%	-	-	-
M/s NCBG Holdings Inc	2,76,29,442	24.80%	-3.830%	3,18,84,542	28.63%	-4.335%
H S Raghavendra Rao	-	-	-	56,12,558	5.04%	-0.760%

Promoters Shareholding in the Company is set out below:

	As at 31 March 2025			As at 31 March 2024		
	Equity shares of ₹ 2 each fully paid			Equity shares of ₹ 2 each fully paid		
	Number of Shares*	Number of Shares %	Changes in % of Shares	Number of Shares*	Number of Shares %	Changes in % of Shares
M/s VNG Technology Pvt Ltd**	-	-	-	3,18,84,542	28.630%	-4.335%
M/s Raneal Technologies Pvt Ltd**	3,18,84,542	28.63%	100.000%	-	-	-
M/s NCBG Holdings Inc	2,76,29,442	24.80%	-3.83%	3,18,84,542	28.630%	-4.335%
Mr.H S Raghavendra Rao	38,12,558	3.42%	-1.62%	56,12,558	5.04%	-0.760%

* Number of shares is presented as absolute number.

**Pursuant to merger scheme approved by NCLT, Ahmedabad Bench vide its order dated 11-12-2024 Company merged with Raneal Tehcnologies Pvt Ltd

15 Other equity

	As at 31 March 2025	As at 31 March 2024
Reserves and surplus		
A. Retained earnings	2,968.99	2,494.64
B. Securities premium	10,560.54	8,545.11
	13,529.53	11,039.75
	As at 31 March 2025	As at 31 March 2024
A. Retained earnings		
Balance at the beginning of current reporting year	2,494.64	1,756.08
Profit for the year	388.76	757.83
Less: Utilized for issue of Balance Bonus Shares		
Other comprehensive (loss)/ income		
-Remeasurements of defined benefit liability / (asset) (net of tax)	(1.20)	(1.77)
-Hedge Reserve	-	(17.50)
-Exchange differences on translating the financials	86.79	-
	2,968.99	2,494.64
	As at 31 March 2025	As at 31 March 2024
B. Securities premium		
Opening balance	8,545.11	3,717.68
Add : Proceeds from issue of Shares(Securities premium-Niart)	0.00	4,970.67
Add:Instrument entirely in the nature of equity (Warrant - Equity - ELTA)	2,018.20	
Less : Public issue expenditure	(2.40)	(19.29)
Less : QIP expenditure	(0.37)	(123.95)
	10,560.54	8,545.11

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
16 Long Term Borrowings		
Secured Term Loan	-	202.04
	-	202.04
Term Loan with tenure of 72 months with Initial 12 months moratorium and interest at 10.25 ~10.44%		
17 Provisions		
Provision for employee benefits		
Gratuity (Refer note no. 37 for further disclosures)	12.47	11.93
Leave encashment	17.05	7.24
Others provision	-	-
	29.52	19.17
18 Borrowings		
Secured		
From Bank		
Working capital loan	0.23	2,694.53
Working Capital Demand Loan	-	9.40
	0.23	2,703.93
Terms and Conditions:		
- For working capital limits -Paripassu First charge on all current assets of the company along with other member banks under Multiple Banking Arrangement, Paripassu First charge on all movable fixed assets of the company along with other member banks under Multiple Banking Arrangement, First paripassu charge on Industrial property of 1.5 acre of land and building in Plt no 29,30 & 107 at hitech, aerospace & defence park devanahalli, Cash Credit/Overdraft limits are payable on demand, Export credits (drawn in foreign currency / INR) are for a tenor of 120-180 days. Interest (drawn in foreign currency) is payable @ LIBOR / SOFR plus 150 to 350 basis points & for EPC (Drawn in INR) Net interest payable (After Subvention of 3%) ranges from 4.3% to 5.6% and around 8.5% interest rate without Subvention from jan 2024 to march 2024 and for Bank Guarantee issued at Cash Margin 30% to 100 %. Corporate Guarantees are extended by Promoter Group companies.		
18(a) Lease Liabilities		
Lease Liabilities	22.08	-
	22.08	-
19 Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 34)	9.52	9.30
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,002.22	3,910.79
	1,011.74	3,920.09

Notes :

(1) Refer note (a) for related party disclosure.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

As at 31 March 2025

Particulars	Outstanding for following periods				Particulars from due date of payment
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9.52			-	9.52
(ii) Others	984.94	0.57	0.47	16.24	1,002.22
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others					-
	994.46	0.57	0.47	16.24	1,011.74

As at 31 March 2024

Particulars	Outstanding for following periods				Particulars from due date of payment
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9.30			-	9.30
(ii) Others	3,907.56	0.06	3.17	-	3,910.79
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others					-
	3,916.86	0.06	3.17	-	3,920.09

20 Other financial liabilities	As at 31 March 2025	As at 31 March 2024
Accrued expense payable	11.28	5.95
Employee benefits payable	44.08	13.95
Financial Liabilities at amortised cost	177.40	
	232.76	19.90

21 Other current liabilities	As at 31 March 2025	As at 31 March 2024
Advance received from customers	3,849.10	314.48
Statutory dues payable	8.30	7.12
Rent security Deposits	-	
	3,857.40	321.60

22 Provisions		
Provision for gratuity	0.56	0.40
Provision for leave encashment	0.56	0.31
	1.12	0.71

22a Lease Liabilities		
Lease liabilities	15.22	-
	15.22	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
23 Revenue from operations		
Sale of products	10,807.39	14,299.58
Sale of services	29.32	(63.75)
	10,836.71	14,235.83
Refer note no. 38 for further disclosures.		
24 Other income		
Foreign exchange fluctuation	151.74	50.78
Interest on fixed deposits	616.13	432.83
LD Charges reversal		12.15
Interest on electricity deposit		
Other income	0.64	-
Profit on sale of used Asset		0.07
Rent received		-
interest income on Gratuity trust deposit	0.96	0.62
Remeasurement	30.79	
	800.26	496.45
25 Cost of materials consumed		
Opening Stock	2,034.98	853.16
Import purchases	10,162.92	7,679.21
Local purchases	1,041.58	5,230.45
Less:Closing Stock	2,879.77	2,034.98
	10,359.71	11,727.84
26 Changes in inventories of finished goods and work-in-progress		
Opening inventories		
Stock in trade		
Raw materials		
Finished goods	-	1,438.46
Work-in- process		
Stores & spares		
Total (A)	-	1,438.46
Closing Inventories		
Stock in trade		
Raw materials		
Finished goods	-	-
Work-in- process		
Stores & spares		
Total (B)	-	-
Total (A-B)	-	1,438.46

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
27 Employee benefit expenses		
Employee Insurance	0.51	0.38
Encashment of earned leave	4.95	1.85
Gratuity	4.17	3.11
Salaries and wages including bonus, incentives	216.62	125.62
Staff welfare expenses	7.37	8.04
	233.62	139.00
28 Finance costs		
Bank charges	6.50	21.97
Interest on borrowings	71.35	249.93
Interest on term loan / Working Capital Term Loan		1.92
Other borrowing costs	21.25	24.17
Other Interest Cost	7.98	
Lease liability	1.86	
	108.94	297.99
29 Depreciation and amortisation expense		
Amortisation of intangible assets (refer note 4)	9.62	0.16
Depreciation of property, plant and equipment (refer note 2)	124.09	51.14
	133.71	51.30
30 Other expenses		
Manufacturing service cost expenses		
Freight expenses	20.26	4.94
Power and fuel expenses	2.36	4.94
Repairs and maintenance		
Building	1.74	0.67
Machinery & others	3.32	2.02
Wages and labour charges	4.85	2.21
Water Charges	0.29	0.81
Administrative and general expenses		
Business promotion expenses	7.98	5.59
Communication expenses	1.55	0.83
Director Sitting Fees	1.20	1.20
Insurance	7.21	8.66
Internal Audit fees	0.80	0.60
Income / (loss) arising from fair valuation of assets through profit & loss		
Net loss on foreign currency translation		
Others expenses	57.47	35.45
Professional & consultancy fees	45.53	51.95
Printing and stationery	0.65	0.32
Rent	7.30	0.44
Rates and taxes	14.18	3.44
Remuneration to auditors		
Statutory audit	1.70	0.73
Tax audit		
Travelling and conveyance	18.87	6.80
	197.26	131.61

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

31 Taxes

(a) Statement of profit or loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax:		
Current income tax charge	209.39	163.88
Deferred tax	(9.08)	2.76
MAT Credit Entitlement	14.66	21.61
Income tax expense reported in the statement of profit or loss	214.97	188.25

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Deferred tax		
Remeasurements gains and losses on post employment benefits	0.64	0.37
Income tax recognised in OCI	0.64	0.37

(c) Balance sheet

Current tax assets

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Non- current tax assets	-	-
Current tax assets	-	-
Total tax assets	-	-

Current tax liabilities

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Income tax (net of advance tax)	118.29	23.45
Total current tax liabilities	118.29	23.45

(d) Deferred tax liabilities / assets

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Income tax relating to remeasurements of defined benefit liability / (asset)	0.87	0.23
Income tax relating to items that will be reclassified to profit or loss	-	-
Fair valuation of Security deposits	-	-
Excess of depreciation/amortisation on property plant and equipment under income tax act	8.94	1.51
Gratuity provision	1.36	1.27
Leave encashment	3.51	1.94
MAT Credit	-	18.46
Net deferred tax liability/(asset)	14.68	23.41

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

32 Earnings Per Share

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profits attributable to equity shareholders		
Profit for the year	388.76	757.83
Basic Earnings Per Share		
number of equity shares outstanding during the year	11,13,86,427	9,96,48,210
Basic EPS (₹)	3.49	7.61
Diluted Earnings Per Share		
Profit for the year	388.76	757.83
number of equity shares outstanding during the year	11,13,86,427	9,96,48,210
Diluted EPS (₹)	3.49	7.61
Weighted average number of equity shares for Basic and Diluted Earnings Per Share	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance at the beginning of the period of ₹ 2 each (₹ 10 each for Previous year)	11,13,86,427	9,67,23,671
Issued during the period	-	1,46,62,756
Total	11,13,86,427	11,13,86,427
Adjustment for subdivision of shares		
Bonus Issue of shares during the year		
	11,13,86,427	11,13,86,427
Weighted average number of equity shares outstanding during the period	11,13,86,427	9,96,48,210

* Number of shares is presented as absolute number.

33 Contingent liabilities, contingent assets and commitments :**(a) Contingent liabilities**

Particulars	Currency	For the year ended 31 March 2025	For the year ended 31 March 2024
Bank guarantees	INR	4,536.99	1,660.46
Corporate Guarantee provided to wholly owned Subsidiary	INR	1,310.00	450.00
Letter of Credit (LC)	INR	1,138.17	-
Pending Income tax litigations	INR	120.81	102.57
Pending GST litigations	INR	14.34	

(b) Commitments

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	9.53
Commitments Pending from IPO Proceeds*	-	198.00
Commitments Pending from QIP Proceeds	2,830.00	4,090.00

*Revised IPO object as per board resolution dated 29-03-2024 and resolution passed by the shareholder through postal ballot Friday,03 May 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Principal amount remaining unpaid to any supplier as at the end of the period/year		
Trade payables	9.52	9.30
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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

35 Related Party Disclosures

(a) List of Related Parties	Nature of relation
1 Dr. H S Raghavendra Rao	Chairman and Managing Director and Director of a Wholly Owned Subsidiary Companies (NIART Systems Limited, Israel and Raneal Advanced Systems Pvt. Ltd.)
2 Mr. Neal Jeremy Castleman	Director (during the year upto 08-10-2024)
3 Mr. Anand S	Key Managerial Personnel and Director of a Promoter company
4 M/s. VNG Technology Pvt. Ltd.	Promoter group Company (Pursuant to merger scheme approved by NCLT, Ahmedabad Bench vide its order dated 11-12-2024, VNG Technology Pvt. Ltd. merged with Raneal Tehcnologies Pvt. Ltd.)
5 M/s. NCBG Holdings Inc	Associate Company
6 M/s. DCX Chol Enterprises Inc	Common Directorship (during the year upto 08-10-2024)
7 M/s. RNSE-TRONICS Pvt. Ltd.	Promoter group Company
8 M/s. Raneal Technologies Pvt. Ltd.	Promoter group Company
9 M/s. Raneal Advanced Systems Pvt. Ltd.	Wholly Owned Subsidiary
10 Mr. Ranga K S	Chief Financial Officer and Director of a Wholly Owned Subsidiary Company (during the year FY 2023-24)
11 Mr. Diwakaraiah N J	Chief Financial Officer from 11-04-2024 and Executive Director of the Company from 28-06-2024.
12 Mr. Shiva Kumara R	Key Managerial Personnel and Director w.e.f 02-01-2025 and also Director of Promoter group company (Director of a Wholly Owned Subsidiary Company M/s. Raneal Advanced Systems Pvt. Ltd.)
13 Mr. Prasanna Kumar T S	Key Managerial Personnel
14 Mr. Nagaraj R Dhavaskar	Company Secretary, Legal and Compliance Officer (during the year upto Jan-2024)
15 Mr. Pramod. B	Key Managerial Personnel and Director of a Promoter group company
16 Mr. G S Manjunath	Key Managerial Personnel
17 Mr. Atul D Mutthe	Key Managerial Personnel
18 Mr. Rajanikanth K N	Key Managerial Personnel
19 Mr. Harsha H.M	Director of a Promoter group company
20 Mr. Gurumurthy Hegde	Company Secretary, Legal and Compliance Officer (from 08-02-2024 to till date)
21 M/s. NIART Systems Limited Isreal	Wholly Owned Subsidiary
22 Mr. Haim Sobal	Director of Wholly Owned Subsidiary M/s. NIART Systems Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

(b)

Sl. No.	Related parties	Nature of transactions	For the year ended 31 March 2025	For the year ended 31 March 2024
Purchase				
1	M/s. DCX Chol Enterprises Inc	Purchases of Raw Materials	6.12	-
2	M/s. RNSE-TRONICS Pvt. Ltd.	Purchases of Raw Materials (Excluding Taxes and duties)	78.93	1,966.02
3	M/s. Raneal Advanced Systems Pvt. Ltd.	Purchase of Raw Materials/ Capital goods	2,299.53	2,366.68
Sales				
4	M/s. DCX Chol Enterprises Inc	Export of Finished Goods	-	0.41
5	M/s. Raneal Advanced Systems Pvt. Ltd.	Sale	4,161.98	-
Investment				
6	M/s. Raneal Advanced Systems Pvt. Ltd.	Investment	199.88	62.50
7	M/s. NIART Systems Limited	Investment	1,257.89	-
Reimbursement of Expenses				
6	M/s. Raneal Advanced Systems Pvt. Ltd.	Reimbursement of Expenses	2.52	-
Income				
8	M/s. Raneal Advanced Systems Pvt. Ltd.	Services *	1.80	0.72
Expenditure				
9	Dr. H.S. Raghavendra Rao	Salary	22.89	22.89
10	Mr. Anand S	Salary	3.64	3.29
11	Mr. Ranga K S	Salary	-	5.85
12	Mr. Shiva Kumara R	Salary	5.66	5.13
13	Mr. Prasanna Kumar T S	Salary	3.83	3.48
14	Mr. Nagaraj R Dhavaskar	Salary	-	0.91
15	Mr. Pramod. B	Salary	3.64	3.29
16	Mr. G S Manjunath	Salary	2.06	1.87
17	Mr. Atul D Mutthe	Salary	1.84	1.60
18	Mr. Rajanikanth K N	Salary	1.89	1.65
19	Mr. Gurumurthy Hegde	Salary	2.02	0.25
20	Mr. Diwakaraiah N J	Salary	5.83	-
21	Mr. Harsha H.M	Professional Fee	0.78	2.48
22	Mr. Harsha H.M	Professional Fee(Arrears)	-	-
23	Mr. Harsha H.M	Reimbursement of expenses	0.08	0.30
24	Mr. Haim Sobal (Haim Sobal Consulting)	Professional Fee	12.66	-
TOTAL			8,075.47	4,449.32
Payable/(Receivable)/(Advance)				
25	M/s. DCX Chol Enterprises Inc	Payable / (Receivable)	(18.32)	(30.41)
26	M/s. RNSE-TRONICS Pvt. Ltd.	Payable / (Advance)	(62.04)	363.10
27	M/s. Raneal Advanced Systems Pvt. Ltd.	Payable / (Advance)	(1,393.07)	(550.68)
28	Dr. H S Raghavendra Rao	Salary Payable	1.10	1.10
29	Mr. Anand S	Salary Payable	0.20	0.21
30	Mr. Ranga K S	Salary Payable	-	0.31
31	Mr. Shiva Kumara R	Salary Payable	0.32	0.29
32	Mr. Prasanna Kumar T S	Salary Payable	0.23	0.20
33	Mr. Pramod. B	Salary Payable	0.22	0.19
34	Mr. G S Manjunath	Salary Payable	0.14	0.12
35	Mr. Atul D Mutthe	Salary Payable	0.10	0.12
36	Mr. Rajanikanth K N	Salary Payable	0.13	0.11
37	Mr. Gurumurthy Hegde	Salary Payable	0.13	0.13
38	Mr. Diwakaraiah N J	Salary Payable	0.38	-
39	Mr. Harsha H.M	Payable / (Advance)	0.27	0.56
40	Mr. Haim Sobal (Haim Sobal Consulting)	Payable / (Advance)	-	1.04

* Services means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

36 Fair value measurements**(a) Categories of financial instruments -**

Particulars	As at 31 March 2025							
	Carrying amount				Fair values			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trade receivables	-	-	1,651.89	1,651.89	-	-	-	-
Cash and cash equivalents	-	-	1,938.28	1,938.28	-	-	-	-
Other bank balances	-	-	8,096.69	8,096.69	-	-	-	-
Other financial assets	-	-	59.00	59.00	-	-	-	-
Total financial assets	-	-	11,745.86	11,745.86	-	-	-	-
Financial liabilities								
Borrowings	-	-	0.23	0.23	-	-	-	-
Trade payables	-	-	1,011.74	1,011.74	-	-	-	-
Working Capital Term Loan	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	232.76	232.76	-	-	-	-
Total financial liabilities	-	-	1,244.73	1,244.73	-	-	-	-

Particulars	As at 31 March 2024							
	Carrying amount				Fair values			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trade receivables	-	-	6,670.71	6,670.71	-	-	-	-
Cash and cash equivalents	-	-	214.46	214.46	-	-	-	-
Other bank balances	-	-	8,193.80	8,193.80	-	-	-	-
Other financial assets	-	-	37.43	37.43	-	-	-	-
Total financial assets	-	-	15,116.40	15,116.40	-	-	-	-
Financial liabilities								
Borrowings	-	-	2,703.93	2,703.93	-	-	-	-
Trade payables	-	-	3,920.09	3,920.09	-	-	-	-
Working Capital Term Loan	-	-	202.04	202.04	-	-	-	-
Other financial liabilities	-	-	19.90	19.90	-	-	-	-
Total financial liabilities	-	-	6,845.96	6,845.96	-	-	-	-

(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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

37 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	As at 31 March 2025	As at 31 March 2024
Provident fund		
Employer's Contribution	7.88	6.25
Administration charges	0.48	0.26
Employer's Contribution to ESI (Employee State Insurance)	0.17	0.14
	8.53	6.65

(ii) Defined benefit plan

- The defined benefit plan comprises gratuity, which is funded.
- 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 amounts recognised in balance sheet for the plan.

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

Particulars	As at 31 March 2025	As at 31 March 2024
Present Value of Benefit Obligation at the Beginning of the Period	12.34	7.67
Interest cost	0.89	0.58
Current service cost	3.32	2.53
Benefits paid	(0.09)	(0.05)
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Financial Assumptions	0.95	0.44
- Due to Change in Demographic Assumptions	-	-
- Due to Experience	0.89	1.17
Present value of obligation at the end of the period / year	18.30	12.34

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

Particulars	As at 31 March 2025	As at 31 March 2024
Fair value of plan assets at the beginning of the period / year		
Interest income		
Contributions	0.09	0.05
Mortality charges and taxes		
Benefits paid	(0.09)	(0.05)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)		
Fair value of Plan assets at end of the period / year		-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Net interest cost for current period

Particulars	As at 31 March 2025	As at 31 March 2024
Interest Cost	0.89	0.58
Interest Income	-	-
Net Interest Cost for Current Period	0.89	0.58

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

Particulars	As at 31 March 2025	As at 31 March 2024
Current service cost	3.32	2.53
Net interest (Income)/ Expense	0.89	0.58
Net benefit expense	4.21	3.11

Amount recognised in the statement of other comprehensive income

Particulars	As at 31 March 2025	As at 31 March 2024
Re-measurement for the year - obligation (gain) / loss	-	(1.61)
Re-measurement for the year - plan assets (gain) / loss	-	-
Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income	-	(1.61)

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

Particulars	As at 31 March 2025	As at 31 March 2024
Defined Benefit Obligation	18.30	12.34
Fair value of plan assets	-	-
Closing net defined benefit liability/(asset)	-	12.34

Particulars	As at 31 March 2025	As at 31 March 2024
Current	0.56	0.40
Non-Current	17.73	11.93

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

Assumptions

Particulars	As at 31 March 2025	As at 31 March 2024
Mortality table	100% of IALM 2012-14	100% of IALM 2012-14
Discount rate	7.22%	7.21%
Rate of increase in compensation levels	10.00%	10.00%
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%

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

A quantitative sensitivity analysis for significant assumption as at 31 March 2025 is as shown below:

Assumptions	Defined benefit obligation	
	As at 31 March 2025	
	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(2.08)	2.53
Delta effect of 1% change in rate of salary increase	1.97	(1.81)
Delta effect of 1% change in rate of employee turnover	(0.87)	1.37

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

Assumptions	Defined benefit obligation	
	As at 31 March 2024	
	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(1.38)	1.68
Delta effect of 1% change in rate of salary increase	1.38	(1.20)
Delta effect of 1% change in rate of employee turnover	(0.47)	0.68

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 time and studying its impact.

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	As at 31 March 2025	As at 31 March 2024
1 st Following Year	0.56	0.40
2 nd Following Year	0.62	0.45
3 rd Following Year	0.71	0.49
4 th Following Year	0.96	0.56
5 th Following Year	0.85	0.98
After 5 th Year	53.01	37.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Note 38: Revenue from contracts with customers

The Company has initially applied Ind AS 115 - Revenue from contracts with customers from 1 April 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Company has adopted Ind AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018).

After evaluation of all the live contracts as on 1st April, 2018 there is no material impact on application of Ind AS 115 on financial statements.

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Gross Sales (Contracted Price)	10,836.71	14,235.83
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	-	-
Revenue recognised	10,836.71	14,235.83

(b) Recognition of revenue as per IND AS 115

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue recognised at point in time	10,807.39	14,299.58
Revenue recognised over the period	29.32	(63.75)
Total	10,836.71	14,235.83

(c) Revenue from products:

Country / Region	For the year ended 31 March 2025	For the year ended 31 March 2024
Exports	9,049.27	11,352.93
Deemed Exports	1,694.30	2,931.41
Domestic	63.82	15.24
Total revenue	10,807.39	14,299.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

39 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Total current assets (A)	15,510.04	17,813.39
Total current liabilities (B)	5,236.76	6,989.68
Working capital (A-B)	10,273.28	10,823.71
Current Ratio:	2.96	2.55

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

	As at 31 March 2025			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	0.23	0.23	-	0.23
Trade payables	1,011.74	994.47	17.27	1,011.74
Other liabilities	232.76	231.49	1.27	232.76

	As at 31 March 2024			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,905.97	2,703.93	202.04	2,905.97
Trade payables	3,920.09	3,916.87	3.23	3,920.09
Other liabilities	19.90	8.75	11.16	19.90

(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 in a foreign currency.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

Following is outstanding foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31 March 2025		As at 31 March 2024	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade receivables				
USD	23.19	1,984.52	85.82	7,154.43
Euro				
Advance to suppliers				
USD	3.80	325.24	2.09	174.37
Euro	0.39	36.35	0.02	1.74
GBP	0.07	7.27	0.00	0.33
CHF	0.00	0.24		
Balance with banks - in EEFC accounts-USD	14.59	1,248.79	0.80	66.89
	42.04	3,602.41	88.73	7,397.76

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

(ii) Financial liabilities

Financial assets	As at 31 March 2025		As at 31 March 2024	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade payable				
USD	10.09	863.12	43.45	3,622.06
Euro	0.14	13.21	0.14	12.72
GBP			0.00	0.16
CHF				
Packing credit in foreign currency				
Advance from customer -USD	20.08	1,718.22	2.46	204.73
	30.31	2,594.55	46.05	3,839.67

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

Currency wise net exposure (assets -liabilities)	As at 31 March 2025		As at 31 March 2024	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD	11.42	977.22	42.81	3,568.90
EUR	0.25	23.14	(0.12)	(10.98)
GBP	0.07	7.27	0.00	0.17
CHF	0.00	0.24		
Total	11.74	1,007.87	42.69	3,558.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

(iv) Sensitivity analysis

	Impact on profit/equity (1% strengthening)		Impact on profit/equity (1% weakening)	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
USD	9.77	35.69	(9.77)	(35.69)
EUR	0.23	(0.11)	(0.23)	0.11
GBP	0.07	0.00	(0.07)	(0.00)
Total	10.07	35.58	(10.07)	(35.58)

(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 bankers.

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 2025	As at 31 March 2024
Variable rate borrowings	0.23	2,703.93
Fixed rate borrowings	-	202.04
Total borrowings	0.23	2,905.97

Sensitivity analysis**Impact on profit before tax /pre- tax equity :**

Particulars	As at 31 March 2025	As at 31 March 2024
Increase by 50 basis points	(0.00)	(13.52)
Decrease by 50 basis points	0.00	13.52

40 Capital management

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

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 2025	As at 31 March 2024
Total liabilities	5,288.36	7,210.89
Less: cash and cash equivalents and bank balances	10,034.97	8,408.26
Net debt	(4,746.60)	(1,197.36)
Total equity	13,752.31	11,262.53
Debt-equity ratio	(0.35)	(0.11)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

41 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.

42 Previous year's figures have been regrouped/reclassified wherever necessary to conform current year's presentation. The Company does not have any Exceptional Item to report for the current period.

43 The financial statements has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 27, 2025.

44. **Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements (refer para 2 of division 2 to the schedule 3 of companies act, 2013)**

	% of consolidated net assets	Amount	as % of consolidated profit or loss	Amount	as % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
Parent								
DCX Systems Limited	83.93	11,541.78	91.74	356.66	(1.373)	(1.18)	74.94	355.48
Adjustment arising out of consolidation- Equity investment	-							
Indian subsidiaries								
Raneal advanced sysetms private limited	1.35	185.78	28.90	112.33	(0.03)	(0.03)	23.68	112.30
Foreign subsidiaries								
NIART Systems Limited	14.72	2,024.75	(20.63)	(80.22)	101.41	86.79	1.38	6.57
Associate								
Total	100.00	13,752.31	100.00	388.76	100.00	85.58	100.00	474.35

45 Pending Litigation

Name of the Statute	Nature of the Dues	Amount with accrued interest	Amount Paid under protest	Period to which the amount relates	Forum
Income Tax Act, 1961	Income Tax	4.87	0.95	AY 2020-21	COMMISSIONER OF INCOME TAX (APPEALS),
Income Tax Act, 1961	Income Tax-Transfer Pricing Proceedings initiated under section 92D(3) & 92CA	115.93	-	AY 2021-22	DRP(Dispute Resolution Panel)
Central Tax	GST	2.10	-	AY 2019-20	BENGALURU:CBIC
Central Tax	GST	12.24	-	JUL 2017 - MAR 2020	BENGALURU:CBIC

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

(₹ In Millions, unless otherwise stated)

46A The company has entered joint venture agreement with Elta Systems Ltd an Israeli company with an office and principal place of business at Yitzhak hanassi Boulevard, Ashdod Israel on August 30th 2023 and incorporated a company named as NIART Systems Limited on 15-10-2023 in Israel and commenced its initial operation during the financial year 2024-25.

46B The company had raised ₹ 5,000 Mn on 19-01-2024, through Qualified Institutional Placement Successfully for its growth plan out of which the proceeds amounting to ₹ 3,617.78 Mn is pending for utilization.

46C Leases

Operating lease- Company (Wholly Owned Subsidiary-Niart Systems limited) as lessee

The Company has entered into lease arrangements for the leasing of office building that are renewable on a periodic basis with extension options.

1. Future minimum lease payments

At reporting date, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Payable in less than one year	0.66	-
Payable between one and five years	0.95	-
Payable after more than five years	-	-
	1.61	-

2. Amounts recognised in profit or loss

Particulars	As at 31 March 2025	As at 31 March 2024
Lease expense - minimum lease payments	0.19	-

For
NBS & Co.
Chartered Accountants
FRN : 110100W

For and on behalf of the Board of Directors of
DCX Systems Limited

Sd/-
Dr. H S Raghavendra Rao
Chairman & Managing Director
DIN : 00379249

Sd/-
CA. Pradeep Shetty
Partner
M No: 046940
Place: Bangalore
Date: 27-05-2025
UDIN:25046940BMLNAP1921

Sd/-
Diwakaraiah N J
Executive Director and Chief Financial Officer
DIN:00427317
Place : Bangalore
Date:27-05-2025

Sd/-
Gurumurthy Hegde
Company Secretary
Membership No:A24285

NOTICE OF 14TH ANNUAL GENERAL MEETING

Notice is hereby given that the **14th (Fourteenth)** Annual General Meeting (AGM) of the Members of the Company will be held on **Friday, September 26, 2025, at 2.00 P.M. (IST)** through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

- 1: To consider and adopt the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, together with the reports of the Board of Directors and Auditors thereon:**

To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, together with the reports of the Board and Auditor's thereon be and are hereby, considered and adopted."

- 2: Appointment of Mr. Ramegowda Shiva Kumar (DIN: 08678987) as an Executive Director, who retires by rotation and being eligible, offers himself for re-appointment:**

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Ramegowda Shiva Kumar (DIN: 08678987) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby reappointed as an Executive Director of the Company, who is liable to retire by rotation."

SPECIAL BUSINESS:

- 3: Appointment of Secretarial Auditors of the Company:**

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 204 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendations of the Audit Committee and the Board of Directors, the approval of the members be and is hereby accorded for

the appointment of CS Pramod S, Practicing Company Secretary (COP No. 13335), as Secretarial Auditors of the Company for a term of five consecutive years, commencing from Financial Year 2025-26 till Financial Year 2029-30 at such remuneration and on such terms and conditions as may be determined by the Board of Directors (including its committees thereof), and to avail any other services, certificates, or reports as may be permissible under applicable laws.

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board to avail or obtain from CS Pramod S, Practicing Company Secretary, such other services or certificates or reports which the Secretarial Auditor may be eligible to provide or issue under the applicable laws, rules, regulations, circulars and guidelines, as may be issued in this regard, at such remuneration / fees as may be mutually agreed with the Secretarial Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company, (including its committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

- 4: Re-appointment of Dr. Raghavendra Rao Hosakote Shamarao (DIN:00379249) as the Chairman & Managing Director of the Company:**

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V to the Act and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), relevant provisions of the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for re-appointment of Dr. Raghavendra Rao Hosakote Shamarao (DIN:00379249), as the Chairman & Managing Director of the Company, not liable to retire by rotation, for a further period of 5 (five) years effective from June 28, 2026 to June 28, 2031

(both inclusive), on such terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Chairman & Managing Director, the payment of remuneration shall be governed by the limits prescribed under Section 197 of the Act read with Part II of Schedule V to the Act as specifically approved by the Members of the Company.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee and the Board of Directors, be and is hereby authorised to alter, modify or revise from time to time, the terms and conditions of appointment and remuneration of Dr. Raghavendra Rao Hosakote Shamarao in such manner as may be considered appropriate and in the best interests of the Company and as may be permissible at law upon the terms and conditions set out in the Explanatory Statement.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things which may be necessary for re-appointment of Dr. Raghavendra Rao Hosakote Shamarao (DIN:00379249) as the Chairman & Managing Director of the Company."

5: Appointment of Mr. Gopinath Vedaprakash (DIN:11241863) as a Whole-Time Director of the Company and approval of payment of remuneration:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Gopinath Vedaprakash (DIN:11241863) appointed by the Board of Directors as an Additional Whole-Time Director of the Company with effect from September 01, 2025 in terms of Section 161 of the Act, who holds office until passing of this resolution and who is eligible for appointment as a Director and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Whole-Time Director of the Company, liable to retire by rotation."

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee and approval of the Board upon the terms and conditions of appointment and remuneration and pursuant to the provisions of Sections 196, 197, 198

read with Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), and pursuant to the applicable Regulation of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, and all applicable guidelines issued by the Central Government from time to time, Articles of Association of the Company and subject to the limits of remuneration as provided in Schedule V of the Companies Act, 2013 and such other approvals, as may be necessary, consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Gopinath Vedaprakash (DIN:11241863), as a Whole-Time Director of the Company, for a period of 5 (five) years w.e.f. September 01, 2025 and for remuneration as set out in the explanatory statement attached to this notice including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of section 197 of the Act (subject to such approval as required).

RESOLVED FURTHER THAT the Nomination and Remuneration Committee and the Board of Directors, be and is hereby authorised to alter, modify or revise from time to time, the terms and conditions of appointment and remuneration of Mr Gopinath Vedaprakash in such manner as may be considered appropriate and in the best interests of the Company and as may be permissible at law upon the terms and conditions set out in the Explanatory Statement.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient, incidental or desirable to give effect to this Resolution."

By order of the Board of Directors
For DCX Systems Limited

Sd/-
Gurumurthy Hegde
Company Secretary, Legal and Compliance Officer
M. No. A24285

Place: Bengaluru
Date: 02.09.2025

Registered Office:

Aerospace SEZ Sector, Plot Nos.29,30 and 107,
Hitech Defence and Aerospace Park, Kavadasanahalli,
Bengaluru Rural 562110, India
CIN: L31908KA2011PLC061686
Tel: 91 80 - 67119555
Email ID: cs@dcxindia.com
Web: www.dcxindia.com

NOTES:

1. Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 and as per the Listing Regulations, concerning resolutions vide item No. 3, 4 and 5 of the Notice of this 14th Annual General Meeting (AGM) is annexed hereto and forms integral part of this Notice.
2. The information required to be provided as per section 102 of the Companies Act, 2013, Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished in the explanatory statement which is annexed hereto
3. Statement giving details of the Director's seeking re-appointment is annexed with this Notice, pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standard on General Meeting ("SS-2").
4. Pursuant to General Circular No. 09/2024 dated September 19, 2024, read with previous circulars issued by the Ministry of Corporate Affairs (the 'MCA') and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by the Securities Exchange Board of India ('SEBI') read with other circulars issued by SEBI in this regard, (hereinafter collectively referred as 'Circulars'), companies are allowed to conduct General Meetings through Video Conference ('VC') or Other Audio-Visual Means ('OAVM'), subject to compliance of various conditions mentioned therein. In compliance with the above, the 14th AGM of the Company is being held through VC/OAVM.
5. The Company has appointed M/s. MUFG Intime India Pvt. Ltd. (Formerly Link Intime India Pvt Ltd), Registrars and Transfer Agents of the Company ('MUFG Intime' or 'RTA'), to provide VC/OAVM facility for the AGM.
6. Proceedings of the AGM will be web-casted live for all those who are the Members as on the cut-off date i.e., September 19, 2025. Members may visit <https://instameet.in.mpms.mufig.com> and login through existing user id and password to watch the live proceedings of the AGM. Facility for joining the AGM shall be open 30 minutes before the scheduled time for commencement of AGM and shall be closed 30 minutes after such scheduled time.
7. **In view of AGM being held by VC/OVAM:**
 - a) physical attendance of Members has been dispensed with.
 - b) the facility for appointment of proxies by the Members will not be available for the AGM and hence Proxy Form and Attendance Slip are not annexed to this Notice; Corporate Members are required to access the link <https://instameet.in.mpms.mufig.com> and upload a certified copy of the Board resolution authorizing their representative to attend the AGM through VC/OAVM and vote on their behalf. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM.
- c) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Act; and
- d) route map for the location of the AGM is not provided.
8. In case of joint holders attending the AGM, Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote.
9. **Inspection of Documents:**

All the documents referred in the Notice will be available for inspection electronically. Members seeking to inspect such documents can send an e-mail to cs@dcxindia.com.

In addition, the following documents shall also be available for inspection electronically:

The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which Directors are interested, maintained under the Companies Act, 2013.

Members seeking to inspect such documents can send an e-mail to cs@dcxindia.com.
10. In line with the Circulars, an electronic copy of the Annual Report and AGM Notice is being sent to all Members holding shares in dematerialised form and whose e-mail addresses are available with the Depository Participants ('DPs') for communication purposes.
- The Annual Report is also available on the Company's Website <https://dcxindia.com/investors/annual-report-and-annual-return>, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively as well as the website of RTA at <https://instameet.in.mpms.mufig.com>.
11. The Company is availing the services of M/s. MUFG Intime India Pvt. Ltd., for facilitating e-voting i.e., remote e-voting and e-voting at the AGM. The instructions for e-voting are given herein below:
 - a) Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on 'e-voting facility provided by Listed Companies', e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their Demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process.

- b) Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and E-Mail ID with their DPs to access e-voting facility.
- c) The remote e-voting period commences on Monday, September 22, 2025 from 9.00 a.m. and ends on Thursday, September 25, 2025 at 5.00 p.m. During this period, the Members of the Company holding shares in dematerialized form, as on the cut-off date being Friday, September 19, 2025 may cast their vote by electronic means in the manner and process set out hereinabove. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Members who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- d) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- e) Any non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at enotices@in.mpms.mufg.com. However, if he/she is already registered with MUFG Time for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- f) In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- d) Post successful registration, user will be provided with Login ID and password. Follow steps given above in points (a-d).

g) REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - NSDL IDeAS facility

Shareholders registered for IDeAS facility:

- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "IDeAS Login Section".
- b) Click on "Beneficial Owner" icon under "IDeAS Login Section".
- c) Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.
- d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for IDeAS facility:

- a) To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.
- b) Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".
- c) Enter the last 4 digits of your bank account / generate 'OTP'

Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on

App Store

Google Play



METHOD 2 - NSDL e-voting website

- a) Visit URL: <https://www.evoting.nsdl.com>
- b) Click on the "Login" tab available under 'Shareholder/Member' section.
- c) Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 3 - NSDL OTP based login

- a) Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>
- b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.
- c) Enter the OTP received on your registered email ID/ mobile number and click on login.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders registered with CDSL Easi/ Easiest facility

METHOD 1 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com & click on New System Myeasi Tab.
- b) Enter existing username, Password & click on "Login".
- c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields for registration.
- c) Post successful registration, user will be provided username and password. Follow steps given above in points (a-c).

METHOD 2 - CDSL e-voting page

- a) Visit URL: <https://www.cdslindia.com>
- b) Go to e-voting tab.
- c) Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, user shall navigate through "e-voting" option.
- c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- d) Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

STEP 1: LOGIN / SIGNUP to InstaVote

Shareholders registered for INSTAVOTE facility:

a) Visit URL: <https://instavote.linkintime.co.in> & click on "Login" under 'SHARE HOLDER' tab.

b) Enter details as under:

1. User ID: Enter User ID
2. Password: Enter existing Password
3. Enter Image Verification (CAPTCHA) Code
4. Click "Submit".

(Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is <u>Event No + Folio no.</u> registered with the Company

Shareholders not registered for INSTAVOTE facility:

a) Visit URL: <https://instavote.linkintime.co.in> & click on "Sign Up" under 'SHARE HOLDER' tab & register with details as under:

1. User ID: Enter User ID
2. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
3. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
 - o Shareholders holding shares in NSDL form, shall provide 'D' above
 - o Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
5. Set the password of your choice.

(The password should contain minimum 8 characters, at least one special Character (!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

6. Enter Image Verification (CAPTCHA) Code.
7. Click "Submit" (You have now registered on InstaVote).

Post successful registration, click on "Login" under 'SHARE HOLDER' tab & follow steps given above in points (a-b).

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is <u>Event No + Folio no.</u> registered with the Company

STEP 2: Steps to cast vote for Resolutions through InstaVote

- A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".
- B. Select 'View' icon. E-voting page will appear.
- C. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- D. After selecting the desired option i.e. Favour / Against, click on 'Submit'.
- E. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

NOTE: Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

- A. Visit URL: <https://instavote.linkintime.co.in>
- B. Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"
- C. Fill up your entity details and submit the form.
- D. A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

- A. Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- B. Click on "Investor Mapping" tab under the Menu Section

- C. Map the Investor with the following details:

- 1) 'Investor ID' – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.
- 2) 'Investor's Name' - Enter Investor's Name as updated with DP.
- 3) 'Investor PAN' - Enter your 10-digit PAN.
- 4) 'Power of Attorney' - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

- D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section".

STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Votes Entry" tab under the Menu section.
- c) Enter the "Event No." for which you want to cast vote.

Event No. can be viewed on the home page of InstaVote under "On-going Events".

- d) Enter "16-digit Demat Account No.".
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour / Against, click on 'Submit'.
- f) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

METHOD 2 - VOTES UPLOAD

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- After successful login, you will see "Notification for e-voting".
- Select "View" icon for "Company's Name / Event number".
- E-voting page will appear.
- Download sample vote file from "Download Sample Vote File" tab.
- Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.

- Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 - 4918 6000.

Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending request at evoting@nsdl.co.in or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>.

- Click on "Login" under 'SHARE HOLDER' tab.
- Click "forgot password?"
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Click "forgot password?"
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).

- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/ her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

General Instructions - Shareholders

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

12. The Company has appointed CS Shreyas Dwaraki, Company Secretary in Practice, (Membership No. F11953, C.P. No. 26529), who in the opinion of the Board is a duly qualified person, as Scrutinizer to scrutinize the electronic voting process in a fair and transparent manner.

The Scrutiniser will submit his report to the Chairman or to any other person authorised by the Chairman after the completion of the scrutiny of the votes cast through remote e-Voting before/ during the AGM, within two working days of conclusion of the AGM. The results declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges on which the Company's shares are listed and will also be displayed on the Company's website at www.dcxindia.com, and the notice board at the registered office of the Company.

13. OTHER INSTRUCTIONS:

a. Process and manner for attending the Annual General Meeting through InstaMeet:

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

- a) Visit URL: <https://instameet.in.mpms.mufg.com> & click on "Login".
- b) Select the "Company Name" and register with your following details:
- c) Select Check Box - Demat Account No. / Folio No. / PAN
 - Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
 - Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.
 - Shareholders shall select check box – PAN and enter 10-digit Permanent Account Number (PAN). Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided by MUFG Intime, if applicable.
 - Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.

- Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.

- d) Click "Go to Meeting"

You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet
- c) Click on 'Submit'.
- d) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- e) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- f) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click

on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.muvg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

- b) **Speaker Registration:** Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email address

mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at cs@dcxindia.com. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Person who wishes to register as a speaker need to send an email to the Company from Monday, September 22, 2025 and the registration as speaker closes on Thursday, September 25, 2025 at 5.00 P.M., post-closing of registration any request would not be considered as a speaker. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

- c) **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by sending email on cs@dcxindia.com.
- d) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the help section of [<https://instavote.linkintime.co.in>] or contact [e-voting Helpdesk at 022 49186000] for any further clarifications.

Members whose names appear in the Register of Members/list of Beneficial Owners as on September 19, 2025 being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- e) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may refer the instructions and obtain the User ID and Password for remote e-voting/joining the meeting:

Members who may require any technical assistance or support before or during the AGM are requested to contact [e-voting Helpdesk at 022 49186000] or write to them at [enotices@in.mpms.muvg.com].

INFORMATION AT A GLANCE - KEY DETAILS FOR THE ANNUAL GENERAL MEETING

Particulars	Details
Day, Date and time of the AGM	Friday, September 26, 2025 at 2.00 P.M.
Mode	Video Conference and Other Audio-Visual Means
Link for live webcast of the AGM and for participation through Video Conferencing	https://instameet.in.mpms.mufig.com
Link for remote e-voting	https://instavote.linkintime.co.in
Cut-Off date for e-voting	Friday, September 19, 2025
E-Voting start date and time	Monday, September 22, 2025 from 9.00 a.m.
E-Voting end date and time	Thursday, September 25, 2025 at 5.00 p.m.
Name of Registrar and Share Transfer Agent and e-voting service provider	MUFG Intime India Private Limited C 101, Embassy 247, L B S Marg, Vikhroli (West), Mumbai 400083 Tel No. +918108116767; Fax +91 22 4918 6060 Email: rnt.helpdesk@in.mpms.mufig.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3: Appointment of Secretarial Auditors of the Company.

Pursuant to the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, if any, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, every listed company is required to annex with its Board's Report, a Secretarial Audit Report given by a Company Secretary in Practice.

Further, pursuant to Regulation 24A of the SEBI Listing Regulations, as amended from time to time, every listed entity shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the appointment of such Secretarial Auditor shall be approved by the Members of the Company at the Annual General Meeting (AGM).

In view of the above requirement, the Board of Directors of the Company, at its meeting held on May 27, 2025, on the recommendation of the Audit Committee has, after considering and evaluating various factors such as qualification, independence, experience, technical skills, quality of audit reports, etc. recommended the appointment of CS Pramod S as the Secretarial Auditors of the Company, to the Members at the ensuing Annual General Meeting for a term of 5 (five) consecutive years commencing from Financial Year 2025-26 to Financial Year 2029-30, subject to the approval of the Members, at a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable taxes and out-of-pocket expenses. Besides the secretarial audit services, the Company may also obtain certifications from CS Pramod S under various statutory regulations and certifications required by banks, statutory authorities, audit related services and other permissible non-secretarial audit

services as required from time to time, for which they will be remunerated separately on mutually agreed terms. The above fee excludes the proposed remuneration to be paid for the purpose of secretarial audit of subsidiary company, if any. The Board of Directors in consultation with the Audit Committee may alter or vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditors.

CS Pramod S, a leading practicing Company Secretary having over 12 years of experience in delivering comprehensive professional services across Corporate Laws, SEBI Regulations and FEMA Regulations. Their expertise includes conducting Secretarial Audits, Due Diligence Audits, Compliance Audits etc. CS Pramod S was appointed as secretarial auditors of the Company for conducting secretarial audit for the financial year 2022-23, 2023-24 and 2024-25 and the same is not considered as a term of appointment of Secretarial Auditor as per Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "LODR Regulations").

CS Pramod S has given his consent to act as secretarial auditors of the Company and confirmed that their aforesaid appointment (if approved) would be within the limits specified by Institute of Company Secretaries of India. Furthermore, in terms of the amended regulations, CS Pramod S has provided a confirmation that he is subject himself to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed resolution.

The Board recommends the resolutions set out at Item No. 3 of the Notice for approval by the members by way of an Ordinary Resolution.

Item No. 4: Re-appointment of Dr. Raghavendra Rao Hosakote Shamarao (DIN:00379249) as the Chairman & Managing Director of the Company.

The Members of the Company at the 06/2021-22 Extra-Ordinary General Meeting of the Company held on March 21, 2022, had approved the appointment of Dr. Raghavendra Rao Hosakote Shamarao as the Chairman & Managing Director of the Company for a period of 5 (five) years effective from June 27, 2021, not liable to retire by rotation. Consequently, his current term of appointment as Chairman & Managing Director will expire on June 27, 2026. Pursuant to Section 196 of the Companies Act, 2013 ("the Act"), re-appointment of Chairman & Managing Director requires approval of the Members and re-appointment of Managing Director shall be made earlier than 1 (one) year before the expiry of his term.

Accordingly, the Board of Directors of the Company ('the Board'), based on the recommendation of the Nomination and Remuneration Committee ('the NRC') and in terms of the criteria laid down in the Nomination and Remuneration Policy of the Company and subject to shareholders' approval, at its meeting held on September 02, 2025 re-appointed Dr. Raghavendra Rao Hosakote Shamarao as Chairman & Managing Director of the Company for a further period of 5 (five) years with effect from June 28, 2026 not liable to retire by rotation.

In evaluating the proposal for re-appointment, the NRC and the Board considered various factors including Dr. Raghavendra Rao Hosakote Shamarao's extensive experience, proven leadership skills, deep understanding of the industry, strategic and operational acumen, and his pivotal contributions to the growth and performance of the Company.

Dr. Raghavendra Rao Hosakote Shamarao has been conferred with an honorary doctorate in business management by the International Peace University, Germany. He started his career in the manufacturing Industry in 1989 and he shaped himself as a marketing and supply chain expert with over 35 years of experience, both in domestic & international electronic manufacturing market. He has been a part of various important assignments in the corporate sector, and managed critical business responsibilities of the organization.

Founded a Defence and Aerospace company, M/s. DCX Systems Limited (DCX), India, in the year 2011 which is into manufacturing of Radar Systems, Surveillance Systems, Electronic Warfare Systems, Counter-Unmanned Aircraft Systems (C-UAS), Advanced Targeting Systems and Communication Systems and supplying the products globally. He struggled the way up the corporate ladder through the initial years as a first-time entrepreneur to become one of the powerful companies in Defence sector, winning accolades, and awards as one of the best electronic Defence companies in India in a span of less than a decade. He was pivotal in making DCX as a publicly listed company in the year Nov-2022.

He is also a recipient of the prestigious MAHATMA GANDHI SAMMAN Award along with other awards and accolades for

his contribution in the industry as listed below:

1. Young Entrepreneur of the Year - 2018
2. Outstanding Outstanding Contribution in Quality and Excellence - 2018
3. Indo Nepal Ratan Award - 2018
4. Excellence In Defence Electronics Exports - 2021
5. Business Leader Award - 2023
6. Excellence In Defence & Aerospace - 2023
7. India's Innovative Entrepreneur of the Year Award For Excellence In Defence Electronics Export - 2023
8. India's Greatest Leaders Award - 2023
9. Export Excellence Award - 2023
10. Excellence Expo Award in Aerospace and Defence Sector - 2023
11. Bhartiya Udyog Leadership Award - 2023
12. Shri Mantralayam Parimala Award - 2024
13. Veera Kannadiga Award - 2024
14. Global Achiever's Award - 2024 by Vishwavani
15. Vikrama Prashasthi by Sri Krishna Mutt, Udupi.
16. Sri Krishna Geethanugraha Award by Sri Krishna Mutt, Udupi

Dr. Raghavendra Rao Hosakote Shamarao has demonstrated exemplary leadership and has significant experience in managing the company's affairs, particularly in the highly regulated and strategic defense sector. His deep understanding of the business, regulatory framework, and industry dynamics is vital for sustained growth and governance. Under his stewardship, the company has successfully executed key defense contracts, achieved strong operational performance, secured important contracts, strengthened operational efficiencies and cost management and improved its market position. His ability to lead the company through challenges and strategic transitions is evident from the company's continued progress and achievements.

Under the leadership of Dr. Raghavendra Rao Hosakote Shamarao, the Company has consistently demonstrated strategic progress and operational excellence. The Company is currently executing several mission-critical projects with long gestation periods. Continuity in leadership is essential to ensure strategic consistency, timely delivery, and effective stakeholder engagement, particularly with government bodies and international partners.

The proposed remuneration payable to Dr. Raghavendra Rao Hosakote Shamarao has been structured keeping in view the scope of responsibilities assigned to him and his substantial contributions, including revenue growth, profitability, and long-term value creation to the Company. The remuneration is in line with the limits prescribed under Section 197 and Schedule V of the Act and has been duly reviewed and

recommended by the NRC and approved by the Board. There is no change in the proposed remuneration structure compared to the remuneration awarded to him in the previous year.

In view of the above, it is proposed to seek Members' approval for the re-appointment of Dr. Raghavendra Rao Hosakote Shamarao as Chairman & Managing Director of the Company and remuneration payable to him per month as per the terms and conditions outlined below:

A. **Tenure:** The re-appointment of Dr. Raghavendra Rao Hosakote Shamarao (DIN:00379249) as Chairman & Managing Director shall be for a period of 5 years from June 28, 2026 to June 28, 2031, with liberty to either party to terminate the appointment on 3 (three) months' advance notice in writing to the other.

B. **Remuneration:**

Subject to the overall limits as prescribed in Schedule V of the Companies Act, 2013:

- a) **Basic Pay:** ₹7,67,600/- (Rupees Seven Lakh Sixty Seven Thousand Six Hundred Only) per month plus increase in remuneration every year, if any, as may be approved by the Board of Directors based on the recommendation of Nomination and Remuneration Committee.
- b) **House Rent Allowance (HRA):** ₹3,83,800/- (Rupees Three Lakh Eighty Three Thousand Eight Hundred Only)
- c) **Special Allowances:** ₹6,18,147/- (Rupees Six Lakh Eighteen Thousand One Hundred Forty Seven Only)
- d) **Conveyance Allowances:** ₹74,374/- (Rupees Seventy Four Thousand Three Hundred Seventy Four Only)
- e) **Leave Travel Allowance:** ₹63,967/- (Rupees Sixty Three Thousand Nine Hundred Sixty Seven Only)
- f) **Employee Provident Fund:** ₹92,112/- (Rupees Ninety Two Thousand One Hundred Twelve Only)
- g) **Encashment of Leave and Gratuity:** At the end of the tenure of office in accordance with the Company's rules.
- h) **Bonus:** As per the rules of the Company.

The Company shall pay the remuneration as mentioned above as the minimum remuneration irrespective of any profits of the Company in any financial year during his term of office.

Further, Dr. Raghavendra Rao Hosakote Shamarao:

- Is not in receipt of managerial remuneration from any other company;
- Satisfies all the conditions specified under Part I of Schedule V to the Act and sub-section (3) of Section 196 of the Act;

- Is not disqualified from being appointed as a director under Section 164 of the Act; and
- Is not debarred from holding the office of director pursuant to any order issued by SEBI or any other statutory authority.

The Company has received a notice as required under the provisions of Section 160 of the Act from a Member signifying their intention to propose the candidature of Dr. Raghavendra Rao Hosakote Shamarao for re-appointment as the Chairman and Managing Director of the Company.

The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debentures or any other secured creditors before the date of re-appointment of aforesaid managerial person.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by The Institute of Company Secretaries of India (ICSI), requisite particulars of Dr. Raghavendra Rao Hosakote Shamarao including his profile and specific areas of expertise are given in this AGM Notice.

Save and except Dr. Raghavendra Rao Hosakote Shamarao and his relatives, none of the other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolutions set out at Item No. 4 of the Notice for approval by the members by way of an Ordinary Resolution.

Item No. 5: Appointment of Mr. Gopinath Vedaprakash (DIN:11241863) as a Whole-Time Director of the Company and approval of payment of remuneration:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 ("the Act") read with the applicable rules made thereunder, the Board of Directors of the Company ("Board") at its meeting held on August 18, 2025, on the basis of the recommendation of the Nomination and Remuneration Committee ("NRC"), had appointed Mr. Gopinath Vedaprakash (DIN:11241863) as an Additional Whole-Time Director with effect from September 01, 2025, subject to approval of the members of the Company.

Mr. Gopinath Vedaprakash brings a wealth of expertise and a proven track record in the defence and aerospace sectors, having held pivotal roles with prominent industry leaders. His deep domain expertise, extensive experience, and strong network within the defence ecosystem are expected to significantly contribute to the Company's growth objectives and market expansion strategy. He has rich experience & expertise in Business Development, Manufacturing Operations & Technical with multicultural & multinational electronics industries catering to Defence, Aerospace, Space, Industrial & Transportation verticals and considering these attributes, the

Board is of the opinion that his association as a Whole-Time Director will be beneficial to the Company.

In accordance with the provisions of Section 161 of the Act read with the applicable rules made thereunder and the Articles of Association of the Company, Mr. Gopinath Vedaprakash being an Additional Whole-Time Director, holds office until passing of this resolution. The Company has received a notice in writing under Section 160 of the Act from a Member proposing candidature of Mr. Gopinath Vedaprakash for the office of a Director of the Company.

Mr. Gopinath Vedaprakash satisfies all conditions set out in Part-I of Schedule V of the Act and also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The appointment and payment of remuneration to Mr. Gopinath Vedaprakash shall be guided by the provisions of the Companies Act, 2013, on such emoluments as outlined below:

Tenure: The appointment of Mr. Gopinath Vedaprakash (DIN:11241863) as Whole-Time Director shall be for a period of 5 years from September 01, 2025 with liberty to either party to terminate the appointment on 3 (three) months' advance notice in writing to the other.

Emoluments (Per Month)

Subject to the overall limits as prescribed in Schedule V of the Companies Act, 2013:

- a) **Basic and DA:** ₹2,80,000/- (Rupees Two Lakh Eighty Thousand Only) per month. The increase in remuneration if any, will be made after being approved by the Board of Directors based on the recommendation of Nomination and Remuneration Committee.
- b) **HRA:** ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only)
- c) **Other Allowances:** ₹88,076/- (Rupees Eighty Eight Thousand Seventy Six Only)
- d) **Conveyance:** ₹25,000/- (Rupees Twenty Five Thousand Only)
- e) **Leave Travel Allowance:** ₹23,324/- (Rupees Twenty Three Thousand Three Hundred Twenty Four Only)

- f) **Employee Provident Fund:** ₹33,600 (Rupees Thirty Three Thousand Six Hundred Only)
- g) **Commission:** A commission of 10% on the profit before tax earned by the Company for any independent purchase orders procured to the Company exceeding Rs.10 crores in a financial year by Mr. Gopinath Vedaprakash, payable only upon receipt of payment by the Company against accepted invoices and subject to proportionally debit the commission account for any subsequent refunds or credits issued against such orders.
- h) **Medical Reimbursement:** Upto ₹3,00,000/- (Rupees Three Lakhs Only) per annum for self through Medical Insurance Card.
- i) **Encashment of Leave and Gratuity:** At the end of the tenure of office in accordance with the Company's rules.
- j) **Bonus:** As per the Company's rules.

Notwithstanding any profits in any financial year, the Company shall pay the remuneration as mentioned above as the minimum remuneration.

The Company has received a notice as required under the provisions of Section 160 of the Act from a Member signifying their intention to propose the candidature of Mr. Gopinath Vedaprakash for appointment as the Whole-Time Director of the Company.

Disclosure on brief details of Mr. Gopinath Vedaprakash as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is annexed to this Notice.

The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debentures or any other secured creditors before the date of appointment of aforesaid managerial person.

Save and except Mr. Gopinath Vedaprakash and his relatives, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolutions set out at Item No. 5 of the Notice for approval by the members by way of an Ordinary Resolution.

DETAILS OF MR. RAMEGOWDA SHIVA KUMAR (DIN:08678987), EXECUTIVE DIRECTOR, SEEKING RE-APPOINTMENT AT THE 14TH ANNUAL GENERAL MEETING, PURSUANT TO REGULATION 36 (3) OF SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2 ON GENERAL MEETING ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:

Name of the Director	Mr. Ramegowda Shiva Kumar
DIN	08678987
Designation	Executive Director
Date of Birth	April 29, 1982
Age	43 Years
Date of first appointment on the Board	January 02, 2025
Qualifications	Bachelor of Engineering degree from Jayachamarajendra College of Engineering, Mysore.
Profile, Experience and Expertise	<p>Mr. Ramegowda Shiva Kumar has more than 20 years of rich experience in the field of Electronics Manufacturing Industry across the verticals including Defence & Aerospace, Medical, Industrial, Telecom and Power, successfully managed critical responsibilities to meet and exceed the goals of the organization.</p> <p>Key achievements include Developing and leading a strong sustainable team in Supply Chain Management, Project Management, Operations, Logistics and Quality to meet the customer demands.</p> <p>Currently holding the position of Vice President-Operations at M/s. DCX Systems Limited.</p>
Details of remuneration last drawn	₹ 5,50,550/- P.M. (CTC) as of August, 2025
Remuneration proposed to be paid	₹ 5,50,550/- P.M. (CTC)
Terms and Conditions of appointment	As mentioned in the resolution in Item No.2 of the Notice
Shareholding in the Company	95,000 shares of ₹ 2/- each constituting 0.08% on the paid-up share capital of the Company.
Relationship with other Directors / Key Managerial Personnel	None
Directorships in other Listed Companies	None
Membership of Committees/ Chairmanship in other Listed Companies	None
Resigned to the Listed entities in the past three years	None
Number of Board meetings attended during FY 2024-25	He attended all 3 Board Meetings which were held after his appointment with the Board of the Company.

DETAILS OF DR. RAGHAVENDRA RAO HOSAKOTE SHAMARAO (DIN:00379249), CHAIRMAN AND MANAGING DIRECTOR, SEEKING RE-APPOINTMENT AT THE 14TH ANNUAL GENERAL MEETING, PURSUANT TO REGULATION 36 (3) OF SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2 ON GENERAL MEETING ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:

Name of the Director	Dr. Raghavendra Rao Hosakote Shamarao
DIN	00379249
Designation	Chairman & Managing Director
Date of Birth	April 07, 1969
Age	56 Years
Date of first appointment on the Board	January 16, 2012 (He was initially appointed as a Director on January 16, 2012 and served until his resignation on November 04, 2019. He was re-appointed to the Board on March 03, 2021)
Qualifications	Honorary Doctorate in business management
Profile, Experience and Expertise	Dr. H.S. Raghavendra Rao, drives business plans, client relationships, and admin coordination. With 33 years of experience in electronics and aerospace, he holds an honorary business management doctorate from Germany's International Peace University. He received various awards, including Young Entrepreneur, Excellence, and Business Leadership from global institutions like the Indian Economic Development Association and International Achievers Summit. He was also honoured with Mahatma Gandhi Samman and Business Leader awards. In 2021, ET Pioneers recognised his pioneering Cable Assemblies and Healthcare Products, while Dubai's International Achievers Awards and ET Ascent acknowledged his defence electronics exports and leadership.
Details of remuneration last drawn	₹ 20,00,000/- P.M. (CTC) as of August 2025
Remuneration proposed to be paid	₹ 20,00,000/- P.M. (CTC)
Terms and Conditions of appointment	As mentioned in the resolution in Item No.4 of the Notice
Shareholding in the Company	38,12,558 Equity Shares of ₹ 2/- each
Relationship with other Directors / Key Managerial Personnel	None
Directorships in other Listed Companies	None
Membership of Committees/ Chairmanship in other Listed Companies	None
Resigned to the Listed entities in the past three years	None
Number of Board meetings attended during FY 2024-25	He attended all 9 Board Meetings held during FY 2024-25.

DETAILS OF MR. GOPINATH VEDAPRAKASH (DIN:11241863), ADDITIONAL WHOLE-TIME DIRECTOR, SEEKING APPOINTMENT AT THE 14TH ANNUAL GENERAL MEETING, PURSUANT TO REGULATION 36 (3) OF SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2 ON GENERAL MEETING ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:

Name of the Director	Mr. Gopinath Vedaprakash
DIN	11241863
Designation	Additional Whole-Time Director
Date of Birth	May 22, 1966
Age	59 Years
Date of first appointment on the Board	September 01, 2025
Qualifications	Bachelor's degree in Electronics Engineering
Profile, Experience and Expertise	<p>Mr. Gopinath Vedaprakash has 37 years of rich experience & expertise in Business Development, Manufacturing Operations & Technical with Multicultural & Multinational Electronics Industries catering to Defence, Aerospace, Space, Industrial & Transportation verticals.</p> <p>Mr. Gopinath Vedaprakash has worked for 5 plus years as Head-Business Development & Government Relations, Weapons, Sensors, Satellite and Head- International Business Development, Land Mobility at Tata Advanced systems Ltd before joining the Company.</p> <p>After initial stint at Bharat Electronics Limited (BEL), Bangalore for 7 years, he joined Seagate Technology International, Singapore & worked in hard disk drive manufacturing for 2 years. He had 23 years of stint in various leadership positions at Centum Electronics and has varied experience in Microelectronics, Electronics Systems, Subsystems, Electronic Manufacturing Services (EMS) serving missiles, Radars, EW, Satellite, Launch Vehicle, Metro and other segments.</p>
Details of remuneration last drawn	NIL, as on August 31, 2025
Remuneration proposed to be paid	₹ 6,00,000/- P.M. (CTC) from September 2025 onwards
Terms and Conditions of appointment	As mentioned in the resolution in Item No.5 of the Notice
Shareholding in the Company	25,529 shares of ₹ 2/- each constituting 0.02% on the paid-up share capital of the Company.
Relationship with other Directors / Key Managerial Personnel	None
Directorships in other Listed Companies	None
Membership of Committees/ Chairmanship in other Listed Companies	None
Resigned to the Listed entities in the past three years	None
Number of Board meetings attended during FY 2024-25	NA

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Aerospace SEZ Sector,
Plot No 29, 30 & 107,
Hi-Tech Defence & Aerospace Park,
KIADB Industrial Area, Kavadasanahalli,
Bangalore Rural, Karnataka 562110,
INDIA.