

# 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