DCX

ARCHITECTING THE INFLECTION

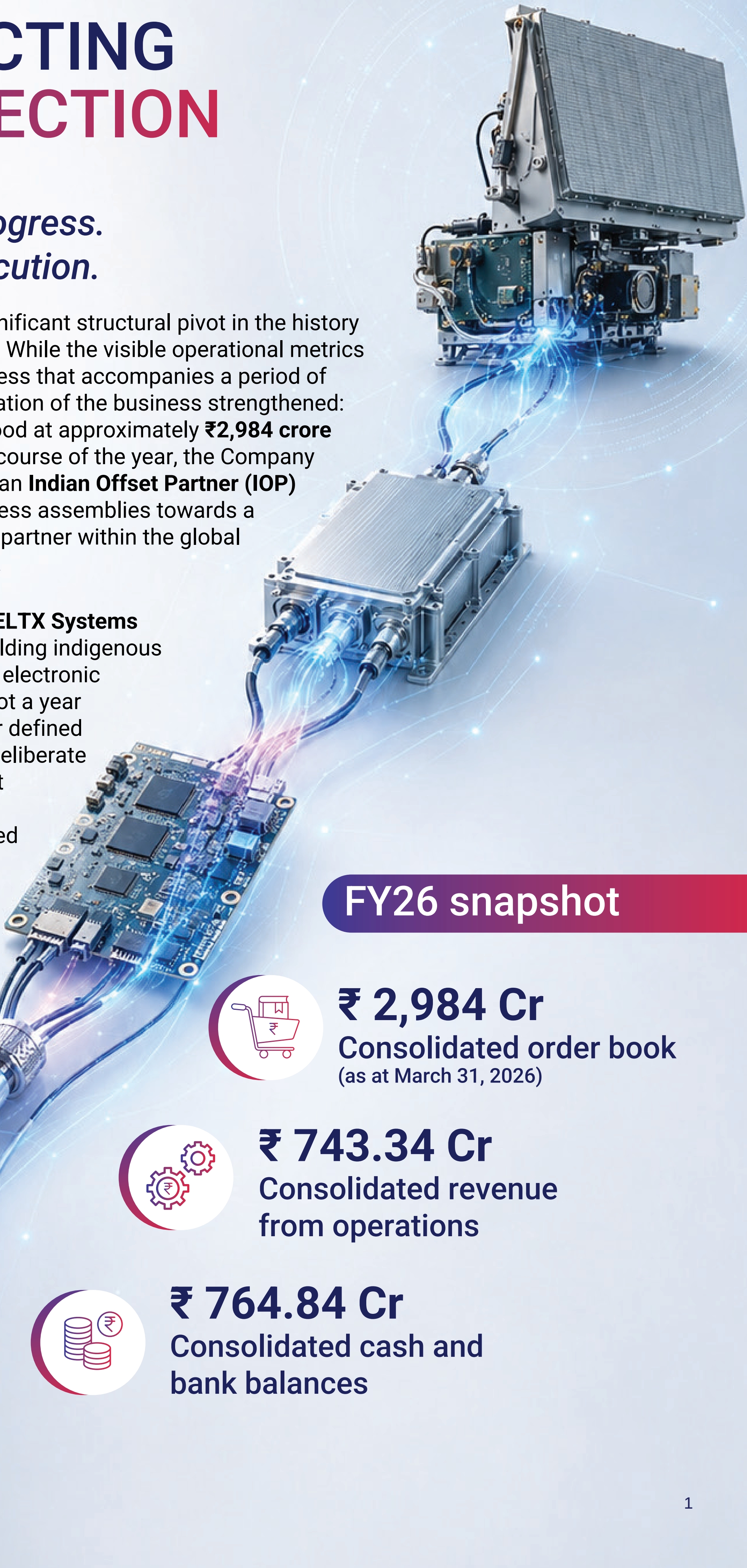
ANNUAL REPORT **2025 - 2026**

ARCHITECTING THE INFLECTION

The Precision in Progress. The Velocity of Execution.

FY 2025-26 marks the most significant structural pivot in the history of **DCX Systems Limited (DCX)**. While the visible operational metrics of the year reflected the lumpiness that accompanies a period of transition, the underlying foundation of the business strengthened: the consolidated order book stood at approximately **₹2,984 crore** as at March 31, 2026. Over the course of the year, the Company continued its progression from an **Indian Offset Partner (IOP)** focused on cable and wire harness assemblies towards a broader role as a systems-level partner within the global defence electronics ecosystem.

Through its joint ventures with **ELTX Systems** and **NIART Systems**, DCX is building indigenous capability in high-end radar and electronic warfare technology. This was not a year defined by volume; it was a year defined by value transformation — the deliberate re-engineering of a build-to-print manufacturer into a build-to-specification, product-led systems enterprise.



FY26 snapshot

₹ 2,984 Cr
Consolidated order book
(as at March 31, 2026)

₹ 743.34 Cr
Consolidated revenue from operations

₹ 764.84 Cr
Consolidated cash and bank balances

INSIDE THE PAGES

Forward-looking Statements:

Some information in this Annual Report may contain forward-looking statements, which include statements regarding the Company's expected financial position and results of operations, business plans and prospects, and are generally identified by forward-looking words such as “believe”, “plan”, “anticipate”, “continue”, “estimate”, “expect”, “may”, “will” or other similar words. Forward-looking statements are dependent on assumptions or bases underlying such statements. The Company has chosen these assumptions or bases in good faith and believes that they are reasonable in all material respects. However, the Company cautions that actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

For more investor-related information, please visit www.dcxindia.com

ABOUT DCX

Established in 2011, DCX Systems Limited is an integrated defence electronics and systems manufacturing company serving global original equipment manufacturers (OEMs) and Indian defence programmes. The Company operates from a strategically located manufacturing facility within Bengaluru's Hi-Tech Defence and Aerospace Park Special Economic Zone (SEZ).

DCX has steadily expanded its role across the defence value chain, from manufacturing complex cable and wire harness assemblies to integrating radio frequency (RF) and microwave transmit-receivers, missile switching units, mission control systems, antenna assemblies, radar processor units, electronic subsystems and radar-related systems. The Company also provides system integration, testing and qualification capabilities.

These capabilities support land, naval and airborne defence applications.

Over the years, DCX has participated in strategic radar and defence programmes under Make in India initiatives and has strengthened its technical capabilities through global OEM partnerships and Transfer of Technology arrangements. Its customer relationships span India, Israel, the United States, Europe, South Korea and other international markets.

Today, the Company is entering its next phase of evolution, defined by greater system responsibility, deeper technology participation and an expanding role in India's defence indigenisation journey.

Vision

To safeguard nations and protect lives by delivering advanced defence, aerospace and high-technology solutions built on innovation, integrity, reliability and professionalism.

From precision manufacturing to integrated defence systems, DCX is expanding the depth of its contribution across the value chain.

Mission

To become a globally recognised manufacturer of high-reliability sub-systems, systems and cable harness solutions for defence, aerospace and other high-technology industrial applications, with advanced technologies and meeting the highest international standards, to cater to global and domestic customers.

The Group Structure

DCX operates through a vertically integrated and strategically diversified business model, which aligns with DCX's vision of evolving into a product-driven, technology-enabled enterprise, supporting applications across defence, medical and civilian domains.

DCX Systems Limited
(Parent Entity)

Cable & Wire Harness & System Integration Business

Raneal Advanced Systems
(100% Wholly Owned Subsidiary)

Backward Integration into EMS / PCB

NIART Systems Ltd
(JV with ELTA Systems (Israel))

Railway Obstacle-detection Radar and Optics Solutions

ELTX Systems Ltd
(JV with ELTA Systems (Israel))

Radar and Electronic Warfare (EW) Systems for Airborne and Land Applications

DCX'S JOURNEY

2020

Commissioned a new manufacturing facility at the Hi-Tech Defence and Aerospace Park SEZ, Bengaluru.

2019

Expanded capabilities to include air defence fire control

2018

Granted authorisation to export munitions list items to IAI ELTA Systems, Israel; signed a lease for 6,070 sq m of land in the Aerospace SEZ.

2015

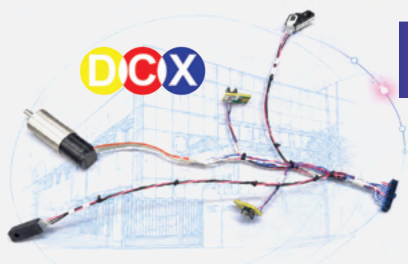
Granted an industrial licence by the Department of Industrial Policy and Promotion to manufacture microwave and electronic components, assembly and testing.

2013

Completed inaugural deemed export order.

2012

Awarded AS9100 and ISO 9001 certifications by DQS Inc.



2011

Incorporated as a Private Limited Company; fulfilled its initial deemed export order.

2022

Raneal Advanced Systems Private Limited incorporated as a wholly owned subsidiary; DCX equity shares listed on BSE and NSE in November 2022.

2023

Commenced commercial production at Raneal Advanced Systems Private Limited;

Incorporated NIART Systems to develop railway obstacle-detection radar and optics solutions;

Awarded Four Star Export House Certification.

2024

Raised ₹500 crore through a qualified institutions placement; expanded the customer base (Lockheed Martin, Ametek, etc.);

Secured multi-million dollar contracts from new customers;

Raneal Advanced Systems Private Limited secured an industrial licence.

2025

Signed a joint venture agreement with ELTA Systems Ltd. for radar systems for airborne and land

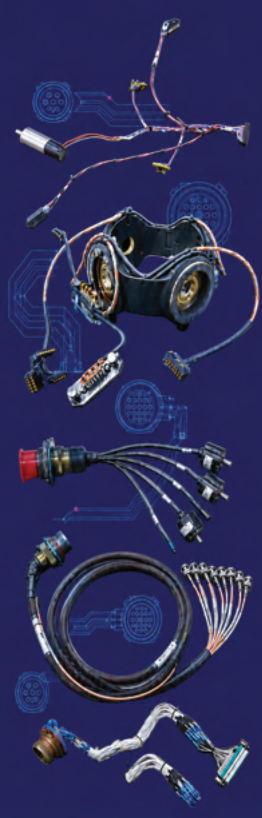
2026

Consolidated order book of approximately ₹2,984 crore as at March 31, 2026; capabilities expanded to include airborne radar systems.

PRODUCT EVOLUTION

2011

Wire harnesses for radar, missile, communication and electronic warfare applications.



2015

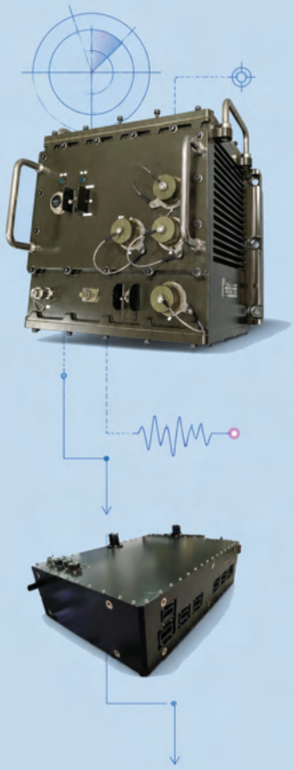
Subsystem integration, testing and qualification of microwave modules.

2018

Transmission and receiver groups and missile switching modules for LRSAM, MRSAM and multimode radar.

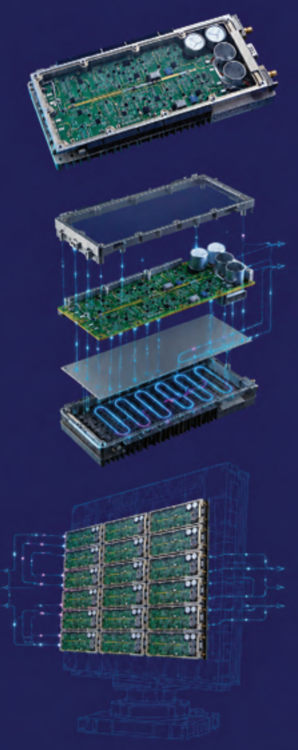
2019

Air defence fire control radar systems.



2020

Digital transmit receive modules and digital receiver modules for high-power radars.

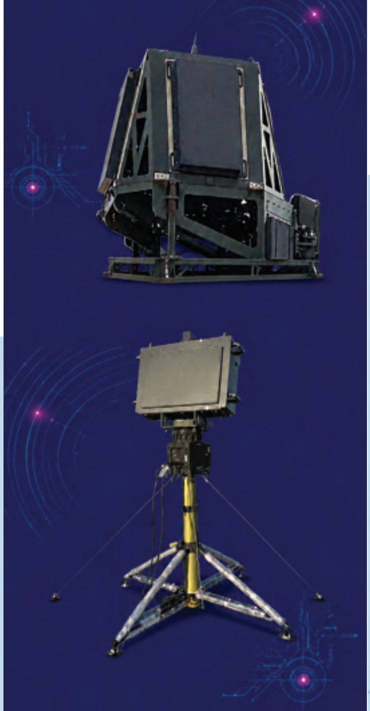


2023

Established a circuit card assembly facility, IPC Class 3 capabilities and a 100k clean room.

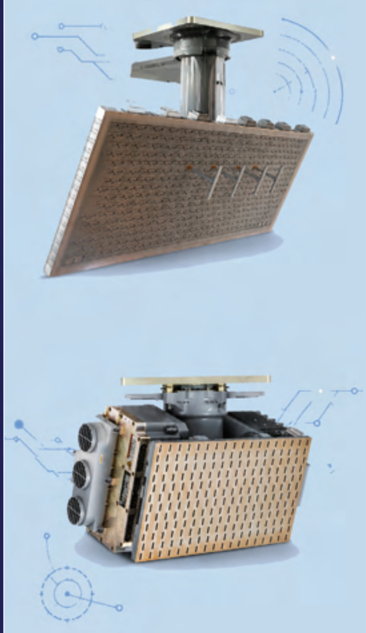
2024

Air defence and ground-based radar systems.



2025

Airborne radar systems.



DCX'S INFRASTRUCTURE

DCX operates from the Hi-Tech Defence and Aerospace Park SEZ, Devanahalli, Bengaluru. Its manufacturing footprint has been developed to support complex defence and aerospace programmes requiring precision assembly, controlled processes, specialised testing and consistent execution.

The infrastructure combines the Company's cable and wire harness, electronic assembly and system-integration capabilities with the high-reliability PCBA platform of Raneal Advanced Systems Private Limited. Together, these facilities provide the operating foundation for the Company's progression from component-level manufacturing towards subsystem and system-level participation.

> ***The infrastructure is designed to support increasing levels of complexity, integration and programme responsibility.***

Footprint

Two Manufacturing Units

Strategically located within Bengaluru's defence and aerospace ecosystem, supporting customer proximity, supply-chain coordination and programme logistics.

Dedicated PCBA Facility

Operated through Raneal Advanced Systems Private Limited with an ISO 8, Class 100k clean-room environment for high-reliability electronics manufacturing.

Qualify

Special Process Capabilities

- Gluing
- Conformal coating
- Press-fit
- Selective soldering
- Controlled cleaning
- Rework and repair

Test

Testing Infrastructure

- Flying probe testing
- In-circuit testing
- Automated optical inspection and X-ray inspection
- Functional testing
- Dedicated automatic test equipment
- Burn-in and environmental stress screening
- HASS and HALT
- Vibration and environmental testing

Manufacture → Assemble → Integrate

Manufacturing and Integration Areas

- Cable and wire harness assembly
- High-reliability PCBA
- RF and microwave assemblies
- Electro-mechanical assembly
- Electronic subsystem integration
- Radar-related integration
- Prototype and serial production support

INDIA'S DEFENCE OPPORTUNITY

The global defence environment continues to be shaped by geopolitical uncertainty, supply-chain realignment and accelerated military modernisation. As defence programmes increasingly depend on advanced electronics, governments are placing greater emphasis on domestic manufacturing, technology localisation and resilient supply chains. Against this backdrop, India has emerged as one of the world's fastest-growing defence manufacturing ecosystems, supported by sustained policy reforms, rising capital allocation and an expanding role for private industry.

India's defence ecosystem is moving beyond import substitution towards capability creation. Policy initiatives under Aatmanirbhar Bharat, the Defence Acquisition Procedure (DAP) 2020, the Positive Indigenisation Lists, higher domestic procurement allocation and increasing private-sector participation are strengthening India's position as a global defence manufacturing hub.

These initiatives are encouraging local manufacturing, technology transfer, system integration and export-oriented production, creating long-term opportunities across the defence electronics value chain.

India's Defence Opportunity for FY2025–26

Indicator	*Latest position*
Value of defence production	₹1,78,000 crore
Value of defence exports	₹38,424 crore
Growth in defence exports, Y-o-Y	62.66%
Private-sector share of defence production	24%
Domestic modernisation allocation	₹2.19 lakh crore
Defence export target	₹50,000 crore

Sources:
Press Information Bureau, Ministry of Defence, February 2026 — https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/feb/doc202623778301.pdf

Press Information Bureau, Ministry of Defence, November 2025 — https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/nov/doc20251120699601.pdf

Press Information Bureau, press release ID 2117348 — https://www.pib.gov.in/PressReleasePage.aspx?PRID=2117348&reg=48&lang=2

Government Initiatives Supporting Domestic Manufacturers

- **Positive Indigenisation Lists** — driving domestic procurement across identified defence systems, equipment and components.
- **Defence Acquisition Procedure 2020** — increasing indigenous content while expanding opportunities for Indian private industry.
- **Aatmanirbhar Bharat** — accelerating localisation, technology absorption and domestic manufacturing capability.
- **Transfer of Technology** — encouraging partnerships that strengthen indigenous manufacturing and system integration.
- **Defence export promotion** — expanding India's participation in global defence supply chains and international programmes.

What Sets DCX Apart?

The changing industry landscape aligns closely with the Company's integrated manufacturing and engineering capabilities.

Higher Electronic Content

Modern defence platforms require increasing levels of radar electronics, RF and microwave modules, cable assemblies and mission-critical electronic systems.

System Integration

As programmes become more complex, customers increasingly seek partners capable of manufacturing, integration, testing and qualification under a single execution framework.

Technology Localisation

Transfer of Technology programmes and strategic partnerships create opportunities to deepen indigenous capabilities in advanced defence electronics.

Export-led Manufacturing

Growing participation in global supply chains supports both offset and direct international programme opportunities.

Lifecycle Support

The increasing installed base of indigenous defence platforms expands opportunities across repair, upgrades, obsolescence management and MRO.

As India strengthens its position in global defence manufacturing, companies with integrated capabilities across manufacturing, system integration, technology localisation and lifecycle support are well positioned to participate in the next phase of industry growth.

CHAIRMAN & MANAGING DIRECTOR MESSAGE

Dear Shareholders,

Every meaningful inflection is built over time. It begins with strengthening the core, expanding capabilities and preparing the organisation to assume greater responsibility. For DCX, FY 2025-26 was an important year in that journey.

Over the years, we have evolved from a specialised manufacturer of cable and wire harness assemblies into an integrated defence electronics and systems manufacturer. During FY26, we continued this progression by deepening our participation in complex electronic subsystems, radar programmes, high-reliability printed circuit board assemblies and technology-led platforms.

The year was defined less by volume and more by the quality of opportunities being built for the future.
Supported by healthy order inflows during the year, our consolidated order book stood at approximately ₹2,984 crore as at March 31, 2026. This provides meaningful medium-term revenue visibility while reflecting the confidence that domestic and international customers continue to place in our defence electronics and systems capabilities.

Financial Performance

Consolidated revenue from operations for the year stood at ₹743.34 crore, against ₹1,083.67 crore in FY25. Consolidated earnings before interest and tax were ₹12.69 crore, at a margin of 1.71%.

The moderation in revenue reflected a year of execution constraints across the operating environment. Geopolitical tensions disrupted supply chains, delayed the availability of critical components and export licences, and restricted the movement of materials and technical personnel. Certain programmes also progressed through extended qualification and certification cycles, which affected the timing of revenue recognition. Towards the close of the year, supply-chain conditions began to improve, export-licence processes became more predictable and key programmes advanced through qualification milestones.

At the consolidated level, the Company reported a loss after tax of ₹7.71 crore, compared with a standalone profit after tax of ₹33.16 crore. The difference was principally attributable to NIART Systems Limited, which remained in the product-development and R&D phase and had not commenced commercial production during FY26. NIART recorded a loss of ₹41.78 crore during the year, including ₹16.27 crore arising from foreign-currency translation under Ind AS 21, which impacted consolidated EBIT and PAT.

Our balance sheet remained conservatively positioned, with no long-term or short-term borrowings. This financial flexibility supports working-capital requirements, capability creation and selective investment in advanced defence electronics.

Our relationship with Israel Aerospace Industries continued to expand from component and assembly-level participation towards more complex radar subsystems. This progression increases the engineering content of our work and strengthens our relevance across a larger part of the programme lifecycle. Raneal Advanced Systems Private Limited also continues to strengthen our electronics manufacturing services platform. Its high-reliability PCBA capabilities, specialised inspection systems and environmental testing infrastructure allow us to support customers across prototyping, serial manufacturing, testing and lifecycle requirements.

At the same time, our investments in ELTX Systems and NIART Systems are extending the Group's capabilities into new areas. Through these platforms, we are progressing opportunities in radar electronics, transmitter-receiver modules and railway obstacle-detection systems. These initiatives are at different stages of development, localisation and commercial readiness, and we remain focused on advancing them in line with technical qualifications and customer requirements. Together, these developments are helping DCX move from build-to-print execution towards greater participation in build-to-specification and system-level programmes.

The opportunity ahead remains significant. India's focus on defence indigenisation, technology localisation and resilient domestic supply chains is creating new avenues for companies with proven manufacturing, integration and qualification capabilities.

Our immediate priority is clear. We must convert the order book with discipline, improve working-capital efficiency and continue progressing our emerging technology platforms towards qualification and commercialisation. We will also remain selective in allocating capital. Every new investment must strengthen our technical relevance, increase our participation in the value chain and support sustainable returns over the long term.

The foundations of DCX's next phase are now taking shape. We have a strong order book, a conservatively positioned balance sheet, established relationships with leading defence customers and an expanding portfolio of manufacturing and systems capabilities.

Our journey is not complete. However, we are increasingly equipped to assume greater responsibility across the defence electronics value chain and to contribute more meaningfully to India's strategic manufacturing ambitions.

I would like to thank our employees for their commitment and resilience, our customers for their continued confidence, and our suppliers, bankers, shareholders and partners for their support throughout the year.

As we move forward, our focus will remain on three priorities: execution, transparency and transformation.

Warm Regards,

Dr. H S Raghavendra Rao

Founder, Chairman and Managing Director

Order Book	₹2,984 crore
Consolidated Revenue	₹743 crore
EBIT	₹12.69 crore

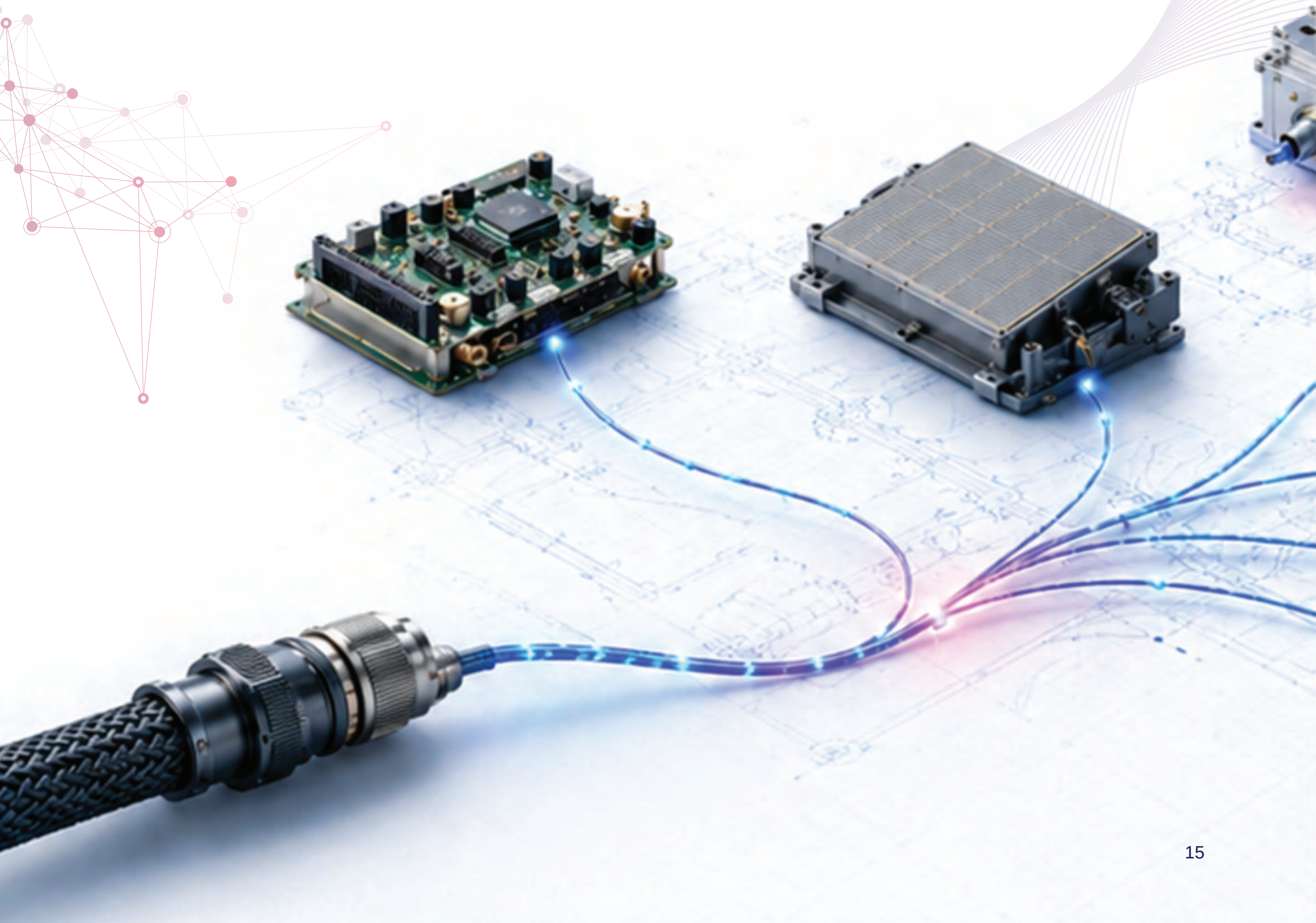
ARCHITECTING THE INFLECTION

The Precision in Progress. The Velocity of Execution.

Manufacturing transformation is rarely defined by a single investment or a single year. It is built through a sequence of deliberate decisions that expand capability, deepen technical expertise and increase responsibility across customer programmes. For DCX, FY 2025-26 represents an important point in that journey.

The Company began as a specialised manufacturer of cable and wire harness assemblies. Over time, it expanded into electronic modules, subsystem integration, radar electronics, printed circuit board assemblies and complete system integration. Today, DCX participates across a materially larger share of the defence electronics value chain.

This evolution is changing not only what the Company manufactures, but also how it contributes to defence programmes.



The Three Pillars

1. The System Integration Leap

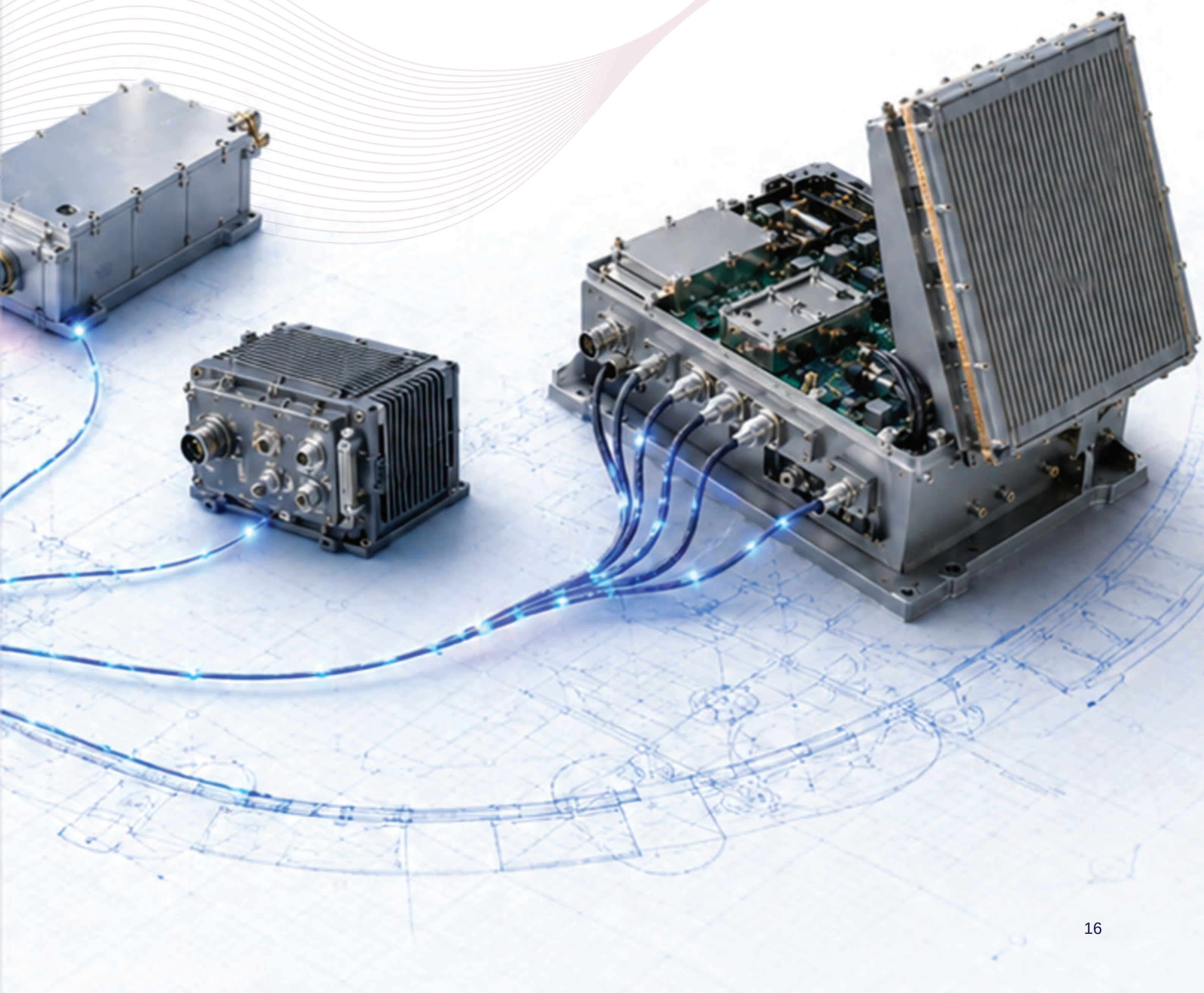
Moving up the value chain from build-to-print to build-to-specification.

2. The Sovereign Tech Moat

ELTX Systems and NIART Systems, and the creation of indigenous high-frequency electronics capability.

3. Resilience Through Financial Fortification

A debt-free balance sheet funding the next phase of growth.

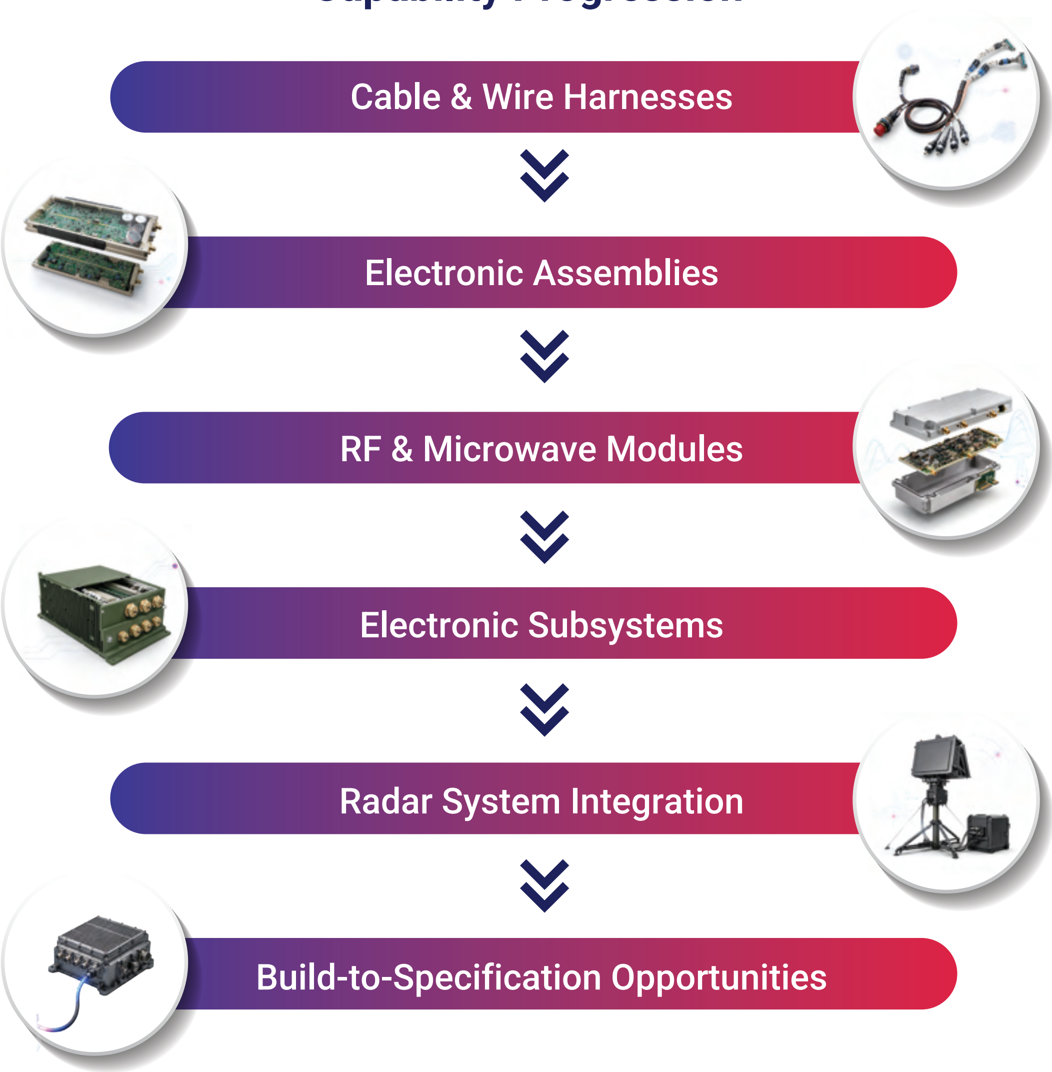


1 The System Integration Leap

The global defence industry is shifting from standalone platforms towards integrated electronic systems, an environment in which value sits less in individual components and more in the system as a whole. DCX has been moving up this value chain, from build-to-print, where it manufactures to a customer's exact specification, towards build-to-specification, where it engineers a solution against a stated performance requirement.

The clearest proof point is the Company's relationship with Israel Aerospace Industries (IAI), which has progressed from the supply of individual components towards the delivery of mission-critical radar subsystems. This progression increases the engineering content of the work DCX performs and raises the qualification threshold that a competing supplier would need to meet.

Capability Progression



Every capability added has expanded DCX's role within the programme.

System Integration Built on Global Collaboration

Long-standing relationships with global defence organisations have enabled DCX to undertake increasingly complex assignments across radar, missile, surveillance, communication and electronic warfare programmes.

The Company now supports both offset and non-offset engagements, combining manufacturing, integration, testing and qualification across multiple stages of execution.

Why this Matters

- The share of non-offset projects has grown from approximately 40% to approximately 70% of the portfolio, reducing dependence on the offset model.
- Better-than-industry-average yield across system integration programmes.
- Preferred Indian Offset Partner status for global OEMs.
- A dual-track approach that sustains IOP strength while scaling non-IOP engagements, improving revenue visibility and widening market reach.

2 The Sovereign Tech Moat

The next phase of DCX's development is being shaped by deeper technology participation. Through its joint ventures with ELTA Systems Ltd., Israel, the Company is combining proven global technology with its own manufacturing, integration and execution capabilities in India. These partnerships are intended to support technology transfer, local manufacturing, subsystem sourcing and product development across defence and strategic infrastructure applications.

NIART Systems

Railway Obstacle Detection

NIART Systems is developing radar and electro-optics-based obstacle-detection solutions for railway applications. The platform combines long-range automotive radar, multispectral electro-optical sensors and deep-learning algorithms to improve track visibility and situational awareness across varying operating conditions.

ELTX Systems

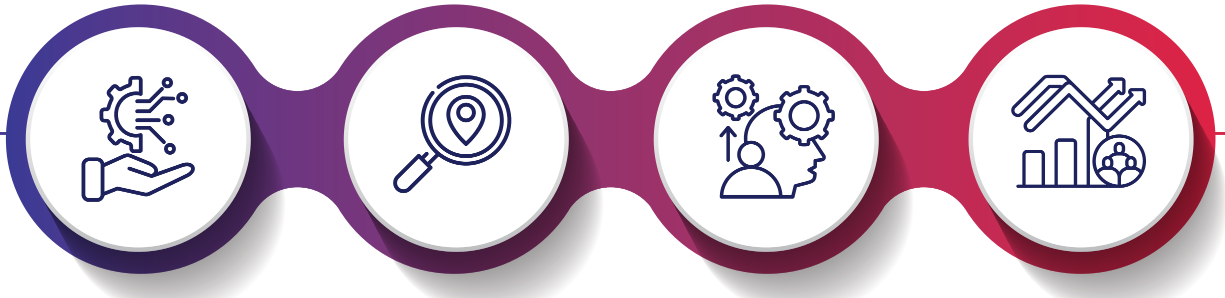
Radar and Electronic Warfare

ELTX Systems has been established to pursue radar and electronic warfare opportunities across airborne and land-based applications. The joint venture brings together ELTA's field-proven radar and electronic warfare technology with the Company's manufacturing base, system-integration capabilities and domestic programme experience. During FY26, ELTX Systems broke ground on its manufacturing facility at the Shoolagiri Industrial Area, Tamil Nadu.

The model also creates opportunities for DCX to supply subsystems, cable assemblies and printed circuit board assemblies into future joint-venture programmes.

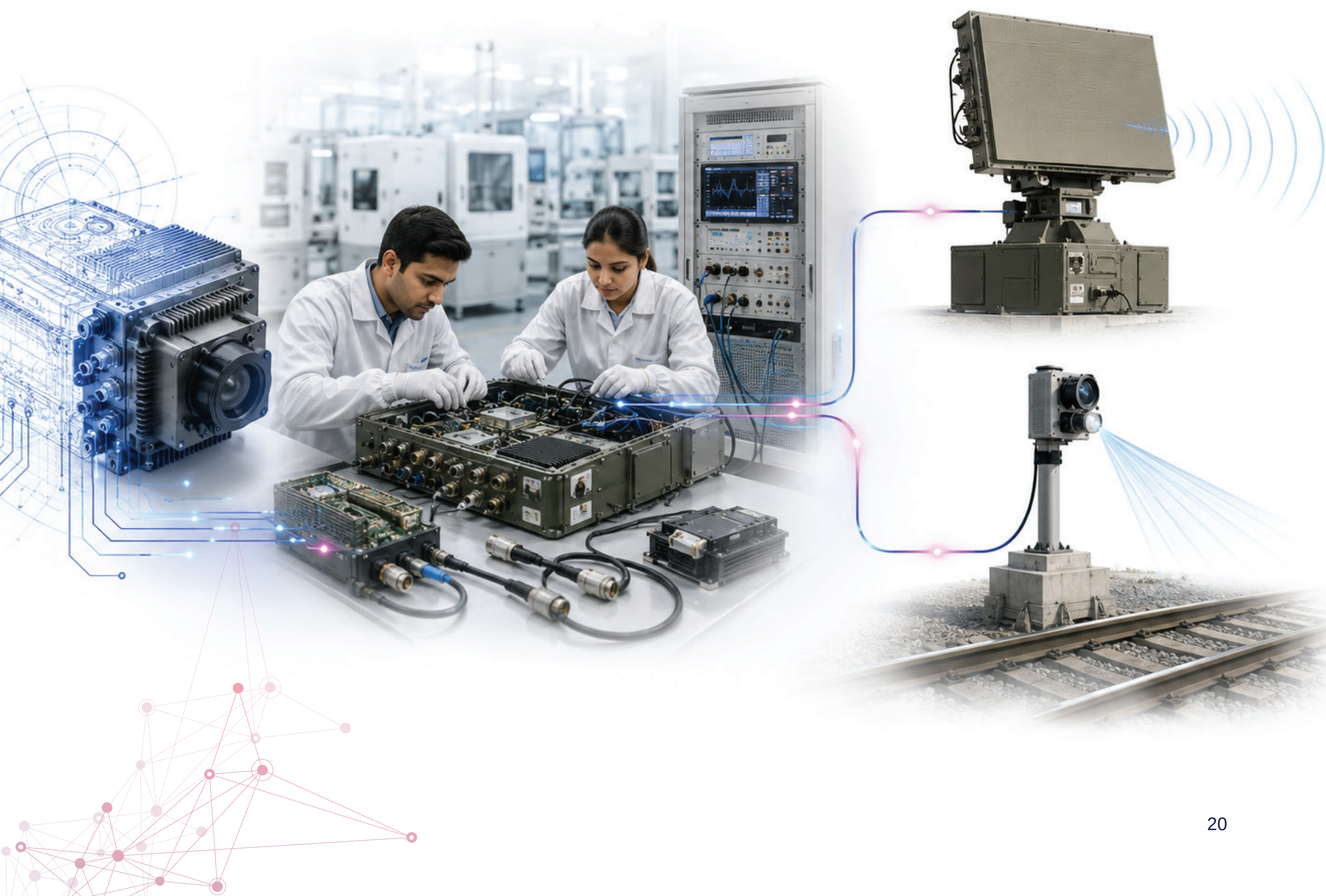
Bhoomi Pooja of ELTX Systems a joint venture between IAI ELTA & DCX

The Strategic Progression



Technology Transfer	Localisation	Capability Creation	Market Access
Access to proven radar, sensing and electronic warfare technologies.	Manufacturing and integration through Indian facilities and supply chains.	Development of radar, high-frequency electronics and strategic infrastructure solutions.	Participation across domestic programmes and selected global opportunities.

The objective is to convert technology access into indigenous manufacturing capability, deeper system participation and long-term strategic relevance.



New Systems. New Growth Horizons.

NIART's SEE FAR – Railway Safety Solution

NIART Systems Ltd., a subsidiary of the Company, has developed SEE FAR, a high-resolution digital radar-based railway safety solution designed to enhance operational safety and efficiency across rail networks. The system combines advanced radar technology, optronics, and Artificial Intelligence/Machine Learning (AI/ML) based deep-learning algorithms through sophisticated multi-sensor fusion, enabling reliable obstacle detection and recognition in diverse operating environments and under all weather conditions, both day and night.

Key Features and Capabilities

- Real-time detection and recognition of obstacles on railway tracks, with immediate alerts provided to locomotive pilots.
- Long-range detection capability exceeding 1,200 metres, enabling timely response and collision avoidance.
- Reliable operation in challenging environmental conditions, including dense fog, heavy rain, and snow.
- Enhanced safety for trains, passengers, and crew while supporting improved railway operational efficiency.

Trial Milestones and Achievements

- During Jan-2026, NIART achieved a significant milestone with the successful completion of functional testing trials of SEE FAR under the TRI-NETRA programme of the Research Designs and Standards Organisation (RDSO), Indian Railways.

- The trials demonstrated the system's exceptional performance in low-visibility conditions. During fog trials, when human visibility was restricted to less than 80 metres, SEE FAR consistently detected obstacles at distances exceeding 1,000 metres.

- The system also exhibited seamless and reliable performance in both foggy and clear weather conditions, validating its robustness, accuracy, and suitability for railway safety applications.

These trials represents an important step towards the deployment of indigenous advanced railway safety technologies, reinforcing NIART's commitment to innovation and contributing to safer and more efficient rail transportation infrastructure.

Counter-UAS Demonstration – DCX & ELTA (Jan 2026)

With the evolving nature of modern warfare, recent conflicts worldwide have highlighted the disruptive impact of low-cost rogue drones, which have inflicted significant damage on equipment and platforms across the Tri-Services. Even during peacetime, such drones are increasingly being used to transport contraband, arms, and ammunition, while also creating disturbances in border areas.

Recognizing these threats, the Indian Army has initiated measures to strengthen its counter-UAS capabilities, including upgrades to armored vehicles, artillery systems, and other platforms.

Demonstration Overview

In January 2026, DCX Systems, in collaboration with IAI ELTA, successfully demonstrated its Advanced Tank Counter-UAS Self-Protection Solution. This system is designed to safeguard armored combat vehicles against aerial threats posed by UAVs, delivering advanced capabilities in detection, tracking, classification, interception, and real-time situational awareness.

Key Highlights

- **Detection & Tracking:** Demonstrated identification and classification of UAVs & small drones.
- **Integrated Architecture:** Combined RF detection & jamming (COMJAM), radar, electro-optical sensors, and jamming modules into a unified system.
- **Command & Control (C2):** Centralized interface providing full situational awareness and jamming control, operable by a single user.
- **Vehicle Integration:** System composed of operational, in-service components tailored for armored fighting vehicles. Compatible with T-72 tanks, meeting environmental and operational requirements without compromising crew safety or vehicle performance.

3 Resilience through Financial Fortification

DCX's financial architecture is being built to support two priorities simultaneously: preserve the strength of the operating business and retain the capacity to invest in capabilities that can shape the Group's next phase.

In FY 2025-26, the standalone business remained profitable, reporting profit after tax of **₹33.16 crore**, while the consolidated financials recorded a loss after tax of **₹7.71 crore.** The difference was principally attributable to NIART Systems Limited, which remained in the product-development and R&D phase and had not commenced commercial production during the year. NIART recorded a loss of **₹41.78 crore**, including **₹16.27 crore** arising from foreign-currency translation under Ind AS 21.

This distinction is important. It reflects the architecture DCX is building: an established operating core supporting investments in capabilities intended to widen the Group's future opportunity set.

The Financial Bridge

Profitable at Core	**₹33.16 crore** Standalone PAT	Established manufacturing and system-integration operations.
Investing in The Next Layer	**₹41.78 crore** NIART FY26 loss	Product development, R&D and pre-commercialisation phase*.
Building Future Visibility	**₹2,984 crore** Consolidated closing order book	Supporting medium-term execution visibility.

**Includes ₹16.27 crore of foreign-currency translation impact under Ind AS 21.*

The Capital Bridge

Capital Raised for Growth	**₹5,000 Mn** Qualified Institutional Placement completed in January 2024	Strengthened the capital base ahead of the next phase of expansion.
Capital Deployed into Future	**₹2,090 Mn** Invested in NIART Systems Limited	Supporting product development, R&D and technology-led capability creation.
Capital Preserved for Future	**₹2,778 Mn** Unutilised QIP proceeds invested in bank fixed deposits	Available for deployment in accordance with the stated objects of the QIP.

Building Future Visibility

The financial strategy is therefore not centred on liquidity alone. It is about maintaining the flexibility to fund longer programme cycles, support working-capital requirements, deepen technology participation and pursue higher-value opportunities across defence electronics and systems.

The Group's closing consolidated order book of approximately **₹2,984 crore** provides medium-term execution visibility, while the continued development of NIART, ELTX and other higher-value system programmes expands the potential pathways for future growth.

Financial fortification at DCX is about preserving the resilience of the operating core while creating the capacity to invest in the capabilities that can define the next phase of growth.

The Outlook: Engineered for the Next Phase

The inflection at DCX is being shaped through a series of deliberate strategic actions.

The Company is strengthening backward integration, widening its participation in non-offset programmes, entering new geographies and progressing technology-led platforms through strategic partnerships. Together, these initiatives are intended to create a more diversified operating model while expanding the Company's role across the defence electronics value chain.

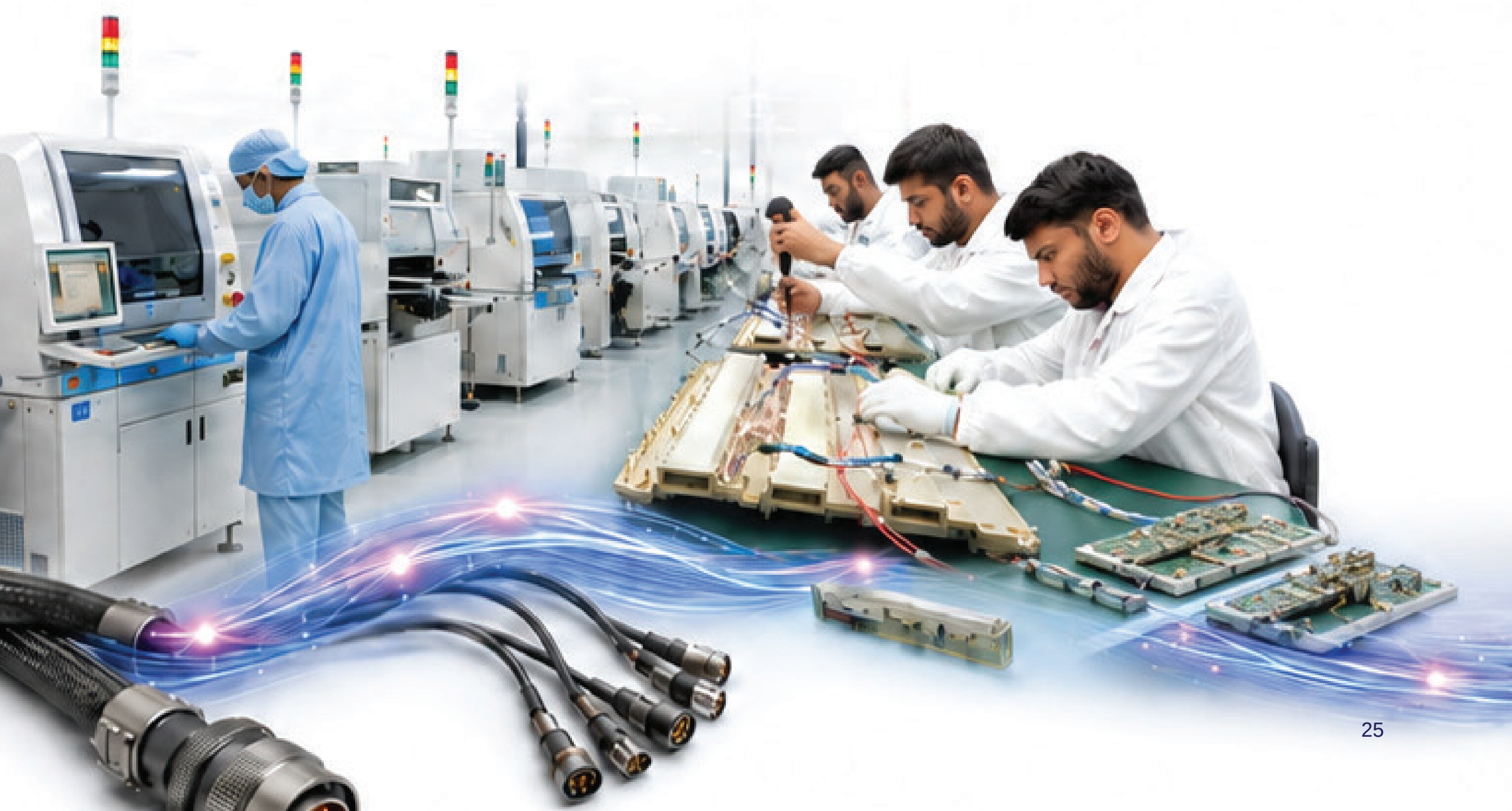
The next phase will be defined by the Company's ability to convert these capabilities into sustained programme execution, stronger customer relevance and long-term value creation.

Strengthening the Core

- Backward integration through Raneal Advanced Systems Private Limited, which expands the Company's presence in high-reliability electronics manufacturing through dedicated PCBA capabilities. This integration is intended to improve control across quality, sourcing and delivery while creating an additional revenue platform for both captive requirements and external customer programmes.

- Expanding cable and wire harness capabilities, which remain a core competency. The Company will continue to deepen its product portfolio across radar, missile, communication, unmanned aerial vehicle and electronic warfare applications, supported by long-standing customer relationships and established process expertise.

Precision in Progress. Velocity of Execution.
That is the Inflection DCX is Architecting.



Diversifying the Programme Mix

- Increasing non-offset participation while retaining established offset capabilities. A more balanced programme mix can expand market access, deepen customer engagement and reduce dependence on any single procurement model.

- Entering new markets, with a continued focus on engaging global OEMs, expanding export-led opportunities and selectively entering adjacent high-reliability sectors where the Company's manufacturing and systems capabilities are relevant.

Progressing Towards Technology-led Products

The Company's strategic partnerships are creating a pathway from manufacturing execution towards greater technology participation. Through ELTX Systems, DCX is progressing opportunities in radar and electronic warfare systems for airborne and land-based applications. Through NIART Systems, the Company is participating in the development of radar and electro-optics-based obstacle-detection solutions for railway applications. These platforms are intended to support technology transfer, localisation and commercialisation while leveraging the Company's established manufacturing, integration and supply-chain capabilities.

The foundations of the next phase are taking shape. Backward integration is strengthening manufacturing control. A broader programme mix is widening the opportunity base. Technology transfer and strategic joint ventures are creating new pathways for localisation and product development. Each initiative reinforces the other. Together, they are advancing DCX from specialised manufacturing towards a more integrated, technology-led defence electronics and systems company.

MARQUEE CLIENTS

DCX is supported by a robust and expanding customer base comprising leading participants across the global and domestic defence and aerospace ecosystem. Its relationships span international OEMs, system integrators and key Indian defence entities, reflecting the Company's ability to deliver complex electronic assemblies, subsystems and integrated solutions with precision and consistency.

These engagements position DCX as a long-term manufacturing and integration partner rather than a transactional supplier. Over time, sustained programme execution, customer-specific qualifications and adherence to stringent quality requirements have enabled the Company to assume greater responsibility across mission-critical programmes.

Global Defence and Aerospace OEMs

IAI ELTA Systems Ltd. Where Courage Meets Technology
IAI MBT
IAI MALAT
LOCKHEED MARTIN
RAFAEL SMART AND TO THE POINT
Elbit Systems
Collins Aerospace A United Technologies Company
BOEING
AMETEK
LGM

Indian Defence and Strategic Partners

भारत इलेक्ट्रॉनिक्स BHARAT ELECTRONICS
LARSEN & TOUBRO
INDIA OPTEL LIMITED SOLDIER'S EYE
ALPHA DESIGN TECHNOLOGIES
KRAS KALYANI RAFAEL ADVANCED SYSTEMS PVT. LTD.
हिएलि HAL

QUALITY, COMPLIANCE AND CERTIFICATIONS

DCX maintains internationally benchmarked quality systems that underpin every product it ships — a non-negotiable requirement in defence and aerospace manufacturing, where reliability is measured in mission outcomes and not only in specifications. The Company's certified IPC trainers and technicians ensure that every cable harness, printed circuit board assembly and soldering process meets the applicable industry benchmark.

Certifications & Memberships


CERTIFICATE dqs
DCX Systems Ltd.
AS9100:2016

AS9100:2016

Quality Management for Aviation, Space and Defence Manufacturing


CERTIFICATE dqs
DCX Systems Ltd.
ISO 9001 : 2015

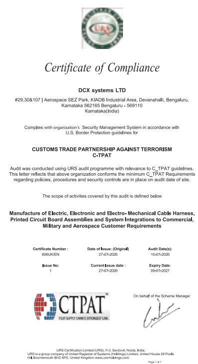
ISO 9001:2015

Quality Management Systems


CERTIFICATE dqs
DCX SYSTEMS LIMITED
ANSI/ESD S20.20-2021

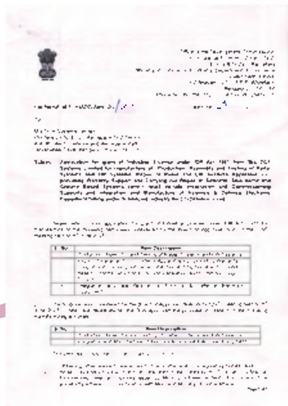
ANSI ESD S20.20

Electrostatic Discharge Control


Certificate of Compliance
DCX systems LTD
CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM
C-TPAT
CTPAT

CTPAT

Certificate of Compliance



Approved Indian Offset Partner with Ministry of Defence (MOD)


SIATI
CERTIFICATE OF LIFE MEMBERSHIP
This is to certify that
M/s DCX Systems Limited
is a LIFE TIME DONOR MEMBER
of
Society of Indian Aerospace Technologies and Industries
With effect from March 2023

Society of Indian Aerospace Technologies and Industries (SIATI)

RECOGNITIONS & PARTNERSHIPS

DCX Systems Limited and its leadership have been recognised over the years for entrepreneurship, industrial development and business leadership in the electronics and defence manufacturing space.

Young Entrepreneur of the Year Award	Excellence Award for Industrial Development	Mahatma Gandhi Samman Award
10th International Achievers Summit	Indian Economic Development and Research Association	NRI Welfare Society of India
Most Admired Company of the Year	**Business Leader of the Year Award**	**Excellence in Defence and Aerospace Award**
ET Ascent	ET Ascent	Midday Icons

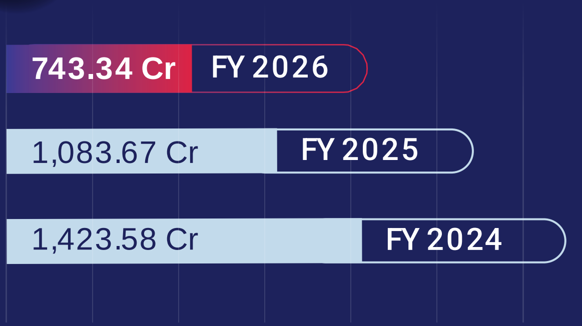
Strategic Partnerships

MoU with Government of Tamil Nadu

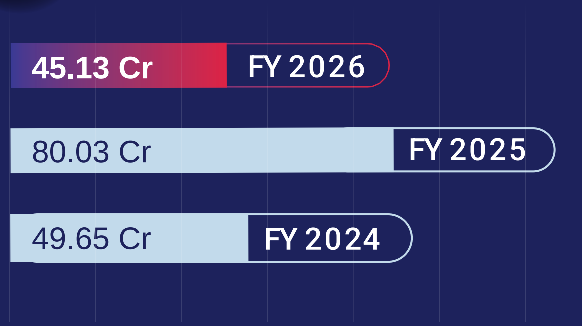
DCX Systems signed a Memorandum of Understanding (MoU) with the Government of Tamil Nadu through its nodal agency, Guidance, at the 'TN Rising Investment Conclave' in Hosur, in the presence of the Hon'ble Chief Minister Thiru M.K. Stalin. The partnership facilitates the setup of a state-of-the-art radar manufacturing facility for our Joint Venture with ELTA Systems Ltd, Israel, strengthening the Tamil Nadu Defence Industrial Corridor.

KEY PERFORMANCE HIGHLIGHTS

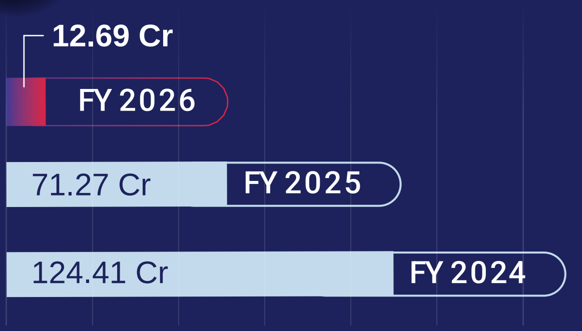
Revenue from Operations



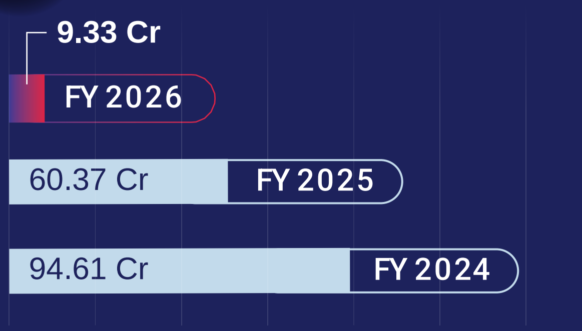
Other Income



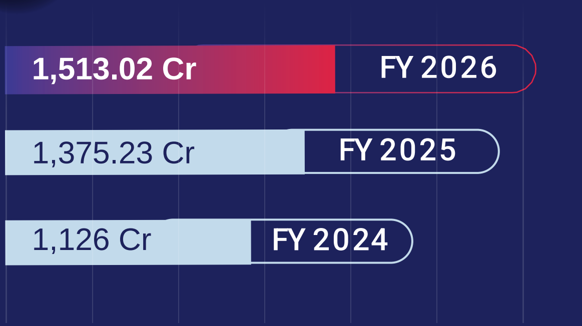
EBIT & EBIT Margin



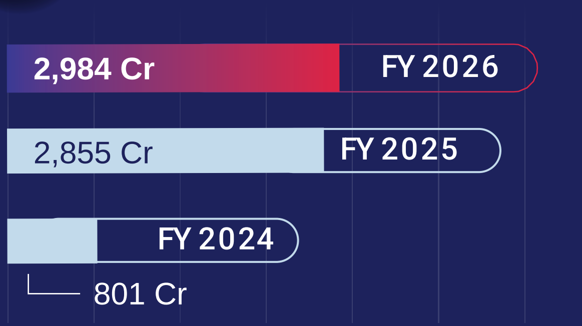
Profit Before Tax (PBT)



Net Worth



Order Book



ESG AT DCX

Responsibility, Engineered into Progress

At DCX, responsible growth is built into the way the Company operates. As the business expands its manufacturing depth, system-integration capabilities and technology participation, the responsibility to manage resources efficiently, protect people and uphold strong governance becomes equally important.

For DCX, ESG is not a parallel agenda. It is part of the discipline required to operate in a mission-critical industry.

The Company's approach is therefore centred on three priorities:

1. Operating Responsibly

Improving resource efficiency, managing waste carefully and strengthening environmental practices across operations.

2. Empowering People

Creating a safe, skilled and respectful workplace that supports continuous learning and employee well-being.

3. Governing with Integrity

Embedding transparency, accountability, information security and ethical conduct into decision-making.

As DCX architects its next phase of growth, responsibility remains integral to how that progress is built.

Environment

Engineering Progress Responsibly

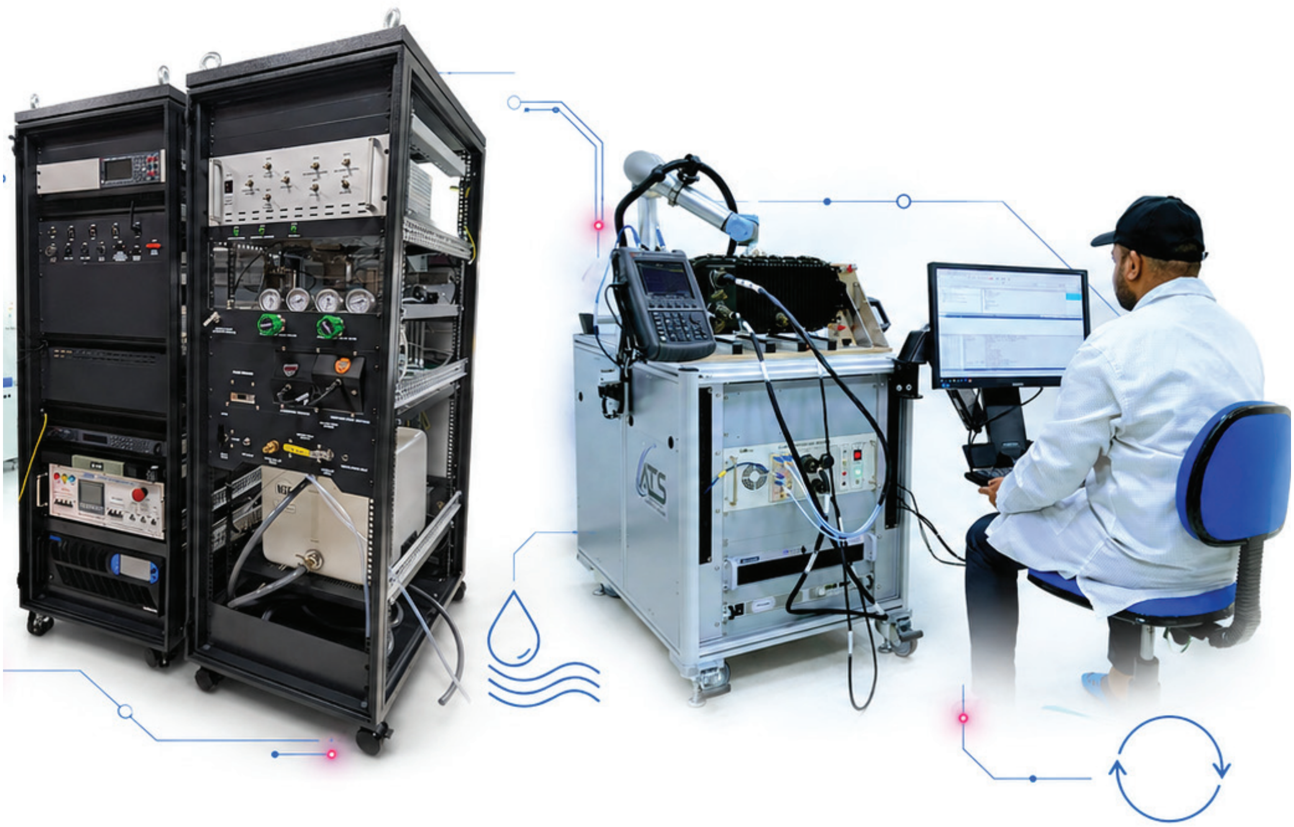
DCX has identified energy management and waste and hazardous-material management as key sustainability considerations.

The Company continues to improve resource efficiency through energy-saving measures, responsible water use and structured waste-management practices. During FY 2025-26, initiatives included LED lighting, controlled use of air-conditioning systems, water-saving aerators and responsible disposal of waste through authorised agencies.

FY 2025-26 Snapshot

2,556.37 GJ	452.18 tCO_2e	855.60 KL
Total Energy Consumed	Scope 1 and Scope 2 Emissions	Water Consumed

9.90 MT	~65%
Waste Generated	Inputs Sourced through Sustainable Sourcing Procedures



People & Communities

Building Capability through People

The precision required in defence and aerospace manufacturing begins with a trained, safe and engaged workforce.

DCX's people practices focus on health and safety, skill development, employee well-being and respect for human rights. The Company maintains structured safety processes, training programmes, grievance mechanisms and employee benefits to support a responsible workplace.

During FY 2025-26, all permanent employees and permanent workers received training on health and safety as well as skill upgradation.

FY 2025-26 Snapshot

100%	100%	100%	100%
Permanent employees trained on health and safety and skill upgradation.	Permanent workers trained on health and safety and skill upgradation.	Permanent employees and workers covered by health and accident insurance.	Permanent employees and workers received performance and career-development reviews.

Nil	Nil
Safety-related incidents reported.	Human-rights and POSH complaints reported.

Beyond the Workplace

DCX's CSR initiatives supported education, higher-education opportunities for differently abled children, hunger alleviation, women's empowerment, child welfare and support for senior citizens.

Greater system responsibility begins with people equipped to execute with skill, safety and integrity.

Governance

Responsibility Built into Execution

In Defence and Aerospace, trust is built through disciplined governance.

DCX's governance framework spans ethical conduct, information security, responsible sourcing, stakeholder engagement and compliance. All nine NGRBC principles are covered through Board-approved policies, while sustainability-related matters are overseen by the Risk Management Committee.

The Company has also identified data security, materials sourcing and business ethics as important responsible-business considerations.

Governance in Practice

9 of 9 NGRBC Principles	Nil	Risk Management Committee
covered through Board-approved policies.	Material non-compliances reported during FY 2025-26. Reported data breaches. Consumer complaints relating to data privacy or cybersecurity.	Oversight of sustainability-related matters.

Strengthening the Framework

Certification processes initiated for:

ISO 14001	ISO 27001	ISO 45001
Environmental Management	Information Security Management	Occupational Health & Safety Management

Accountability, resilience and trust remain central to responsible execution.

DCX's ESG journey reflects the same principle that defines its business evolution: progress is built through discipline.

Resource efficiency supports responsible operations. A skilled and safe workforce strengthens execution. Governance protects stakeholder trust.

Responsible growth is not separate from the inflection. It is part of how the inflection is being architected.

BOARD OF DIRECTORS

Dr. H.S. Raghavendra Rao

Founder, Chairman & Managing Director

Chairman and Managing Director of the Company since January 16, 2012, Dr. Rao drives business strategy, client relationships and administrative coordination. With 34 years of experience across electronics and aerospace, he holds an honorary doctorate in business management from Germany's International Peace University. His recognitions include the Young Entrepreneur of the Year Award (10th International Achievers Summit), the Excellence Award for Industrial Development (Indian Economic Development and Research Association), the Mahatma Gandhi Samman Award (NRI Welfare Society of India), Indo-Nepal Ratan Award (Economic Growth Society of India) Business Leader of the Year and Most Admired Company of the Year (both ET Ascent), and the Excellence in Defence & Aerospace Award (Midday Icons).

A Director since September 1, 2025, Mr. Vedaprakash holds a bachelor's degree in electronics engineering and brings 37 years of experience in business development, manufacturing operations and technical roles across multicultural, multinational electronics companies serving the defence, aerospace, space, industrial and transportation sectors. He has varied experience in Microelectronics, Electronics Systems, Subsystems, Electronic Manufacturing Services (EMS) serving missiles, Radars, EW, Satellite, Launch Vehicle, Metro and other segments.

Mr. Gopinath Vedaprakash

Whole-Time Director

Mr. Ramegowda Shiva Kumar

Executive Director and Vice-President – Operations

A Director since January 2, 2025, Mr. Shiva Kumar holds a Bachelor of Engineering degree from Sri Jayachamarajendra College of Engineering, Mysore, and brings over 24 years of experience across the defence and aerospace, medical, industrial, telecom and power verticals within the electronics manufacturing industry. 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. He successfully managed critical responsibilities to meet and exceed the goals of the organization.

A Director 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, and also an associate member of the Institute of Singapore Chartered Accountants. He has extensive experience in finance and handling family offices and was previously associated with BDA Ltd (part of Shaw Wallace and Company Ltd), Beacon Weir Limited (part of Weir Pumps PLC Scotland), ETA-Star group of Dubai. Currently, he is also on the global boards of technology companies.

Mr. Kalyanasundaram Chandrasekaran

Independent Director

Mr. Prakash Nagabushan

Independent Director

A Director since August 1, 2024, he holds a Bachelor of Engineering degree in electrical engineering from Bangalore University and brings more than 31 years of experience providing technology solutions and technical expertise in the IT infrastructure industry and also specializes in designing cutting edge and cost-effective Networking & Security solutions to customers. He has been the core founder member of AIT, Karnataka State IT Association and has served in various capacities as Member, Treasurer & President for more than 15 years. In his tenure, he has made significant contributions to IT fraternity with regard to VAT, GST, TOT & other legal matters along with ensuring financial discipline of the Association.

A Director since February 2, 2022, she holds a Bachelor of Engineering degree in electronics from Bengaluru University and a master's degree in science from the Rochester Institute of Technology. She brings more than 17 years of experience in management consultancy and has been a Partner at Tekinroads Consulting LLP since 2014.

Mrs. Lathika Siddharth Pai

Independent Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Mr. Gopinath Vedaprakash
Whole-Time Director

Mr. Ramegowda Shiva Kumar
Executive Director & VP Operations

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
Sr. 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

DCX Systems Limited
Aerospace SEZ Sector, Plot Nos. 29, 30 and 107 Hitech Defence and Aerospace Park, Kavadadasanahalli, Bengaluru Rural - 562 110
Karnataka

MANUFACTUING UNIT

Plot No. 118, 1st Floor, Hitech Defense and Aerospace Park, IT Sector Industrial Area, Arebinnamangala, Bangalore Rural – 562 149

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

BOARD'S REPORT

To,
The Members,

Your directors take immense pleasure in presenting the 15th Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ending March 31, 2026. Standalone and Consolidated performance of the Company and its subsidiaries and associate have been referred to wherever required.

FINANCIAL PERFORMANCE:

The financial performance of the Company for the financial year ending March 31, 2026, is summarized below:

(₹ in Mn)

	Standalone		Consolidated	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Revenue from operations	7,398.72	11,120.60	7,433.44	10,836.71
Other income	429.04	675.65	451.33	800.26
Total Revenue	**7,827.76**	**11,796.25**	**7,884.77**	**11,636.97**
Total Expenses	**7,328.51**	**11,248.57**	**7,790.98**	**11,033.24**
Profit before tax	499.25	547.68	93.79	603.73
Tax expenses	(167.63)	(191.02)	(170.42)	(214.97)
Profit after tax	331.62	356.66	(77.11)	388.76
Total comprehensive income for the year, net of tax	**331.61**	**355.48**	**1,124.47**	**474.35**

Note: The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2026, 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 COMPANY'S AFFAIRS:

During the year under review, the Company operated in a dynamic and evolving defence and aerospace environment characterised by changing procurement cycles, extended project execution timelines, and evolving customer requirements. While the Company's revenue for the year witnessed a decline compared to the previous financial year, primarily due to the timing of project milestones, deferred order execution, and the nature of long-gestation defence programmes, the Company successfully demonstrated operational resilience by maintaining its profitability through disciplined financial management and enhanced operational efficiencies.

The management continued to focus on prudent cost optimisation, effective resource utilisation, and improved project execution, which enabled the Company to protect its operating margins despite lower topline performance. Continuous monitoring of overheads, optimisation of manufacturing processes, and efficient supply chain management contributed significantly towards sustaining the Company's bottom line. The Company's emphasis on value engineering, productivity enhancement, and strategic procurement initiatives further strengthened its financial stability during the year.

The Company remained committed to strengthening its position in the defence and aerospace sector by investing in product development, enhancing engineering capabilities, and pursuing opportunities across defence manufacturing, aerospace systems, and indigenous defence programmes. The management continued to engage with existing and prospective customers, participate in strategic defence initiatives, and explore new business opportunities aligned with the Government of India's emphasis on self-reliance in defence manufacturing and the Make in India and Atmanirbhar Bharat initiatives. These strategic efforts are expected to support long-term growth and improve the Company's order pipeline in the coming years.

There were no material changes affecting the financial position of the Company other than those disclosed elsewhere in this Report. The Directors remain confident that the Company's strong technical capabilities, experienced management team, sound financial discipline, and continued focus on operational excellence position it favourably to capitalise on emerging opportunities in the defence and aerospace sector. While the industry continues to face challenges arising from project execution cycles and evolving geopolitical and economic conditions, the Directors are optimistic about the Company's long-term growth prospects and its ability to create sustainable value for all stakeholders.

STANDALONE FINANCIAL RESULTS:

The standalone revenue from operations decreased to ₹7,398.72 Mn for FY 2025-26 as compared to ₹11,120.60 Mn in FY 2024-25. EBITDA for FY 2025-26 stood at ₹187.85 Mn compared to ₹28.82 Mn achieved in FY 2024-25. The profit after tax stood at ₹331.62 Mn for FY 2025-26 as compared to ₹356.66 Mn in FY 2024-25.

CONSOLIDATED FINANCIAL RESULTS:

The consolidated revenue from operations is ₹7,433.44 Mn for FY 2025-26 as compared to ₹10,836.71 Mn in FY 2024-25. EBITDA for FY 2025-26 stood at ₹4.41Mn compared to ₹46.12 Mn attained in FY 2024-25. The profit after tax stood at ₹(77.11) Mn for FY 2025-26 as compared to ₹388.76 Mn in FY 2024-25.

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 strengthening the financial position of the Company and conserving resources for future growth opportunities and operational requirements, the Board of Directors has not recommended any dividend for the financial year ending March 31, 2026. 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:

During the financial year 2025–26, the Company has not transferred any amount to General Reserves. The entire surplus for the year has been retained in the Statement of Profit and Loss to support the Company's ongoing operations, strengthen its financial position, and meet future business requirements. The Board decision is aligned with the Company's strategy to maintain a robust liquidity position and growth initiatives from internal accruals, thereby enhancing long-term stakeholder value.

The Board continues to review the need for appropriation to reserves from time to time, keeping in view the Company's growth plans, capital requirements, and overall financial strategy.

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/-.

DISCLOSURES:

a. During the year under review, your Company has not revised the financial statements.

b. 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 AND ASSOCIATE COMPANIES:

As of March 31, 2026, the Company has two wholly owned subsidiaries: M/s. Raneal Advanced Systems Private Limited, India, and M/s. Niart Systems Limited, Israel and one associate company, M/s. ELTX Systems Private Limited, India, pursuant to sub-section (3) of section 129 of the Companies Act, 2013. Further, both subsidiary entities are considered material subsidiaries in accordance with Regulation 16(1)(c) and 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In line with the provisions of Section 129(3) of the Companies Act, 2013 (Act), a statement containing the salient features of the financial statements of the Company's subsidiaries and associate in Form AOC-1 is attached to the financial statements of the Company as **Annexure-2**. This form highlights the financial performance of each subsidiary and associate company and their contribution to the Company's overall performance as required by Rule 5 and 8(1) of the Companies (Accounts) Rules, 2014.

Audited financial statements together with the related information and other reports of each of the subsidiary Companies is available on the website of the Company at: https://dcxindia.com.

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, 2026, 100% of the Company's total paid up capital representing 11,13,86,427 equity shares are in dematerialized form.

PARTICULARS OF EMPLOYEES:

The information required under Section 197 (12) of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to percentage increase in remuneration, ratio of remuneration of each Director and Key Managerial

Personnel (KMP) to the median of employees' remuneration are provided in **Annexure - 3** to this Board's Report.

The statement containing particulars in terms of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the Members of the Company and others entitled thereto. The said information is available for inspection at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Secretarial Team of the Company in this regard.

BOARD OF DIRECTORS:

As of March 31, 2026, the Board of the Company comprised 6 Directors out of which 3 Executive Directors and 3 Non-Executive Independent Directors, one of whom is 1 Women Independent Director. The composition of the Board of Directors as on March 31, 2026, was in due compliance with 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 17, 2025
2. May 12, 2025
3. May 27, 2025
4. August 07, 2025
5. August 18, 2025
6. September 02, 2025
7. November 12, 2025
8. February 12, 2026
9. March 30, 2026

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 had appointed CS Pramod S, (ICSI Membership No: A36020 and COP 13335) Practicing Company Secretary, Bengaluru as the Secretarial Auditor of the Company, for a period of five years, commencing from the financial year 2025-26 to financial year 2029-30 i.e. from the conclusion of the 14th Annual General Meeting until the conclusion of the 19th Annual General Meeting of the Company to be held in the year 2030.

III. COST AUDITOR:

The Company has duly maintained cost records in accordance with the provisions of Section 148(1) of the Companies Act, 2013 ("the Act"). However, the requirement for appointment of a Cost Auditor was not applicable to the Company for the financial year 2025-26, pursuant to the provisions of Section 148 of the Act read with the applicable provisions of the Companies (Cost Records and Audit) Rules, 2014, considering that, as at March 31, 2025, the Company generated revenue only from its unit located in a Special Economic Zone (SEZ).

During the FY 2025-26, the Company commenced generation of revenue from its Domestic Tariff Area (DTA) Unit. Consequently, the provisions relating to cost audit became applicable to the Company from the financial year 2026-27. Accordingly, based on the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment of M Ashok Kumar, Cost Accountant (Firm Registration No.102240) as the Cost Auditor of the Company for the financial year ending March 31, 2027.

Pursuant to the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration payable to the Cost Auditor, as approved by the Board of Directors on the recommendation of the Audit Committee, is required to be ratified by the Members at a general meeting. Accordingly, a resolution seeking ratification by the Members of the remuneration payable to M Ashok Kumar, Cost Auditor of the Company for the financial year 2026-27, has been included in the Notice convening the 15th Annual General Meeting of the Company.

IV. INTERNAL AUDITOR:

Mr. Rajagopal A and Co [ICAI FRN 027895S], Chartered Accountants, was appointed as Internal Auditors for conducting the internal audit of the Company for the financial year 2025-26, 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 2026–27, 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, 2026, is enclosed as **Annexure - 4** to this Report.

The Secretarial Audit report of Raneal Advanced Systems Private Limited, a Material Subsidiary is appended to and forms part of this Report as **Annexure – 4A**.

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 has established and maintains adequate internal control systems and internal financial controls commensurate with the size, scale, and complexity of its operations. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting, the preparation of financial statements in accordance with applicable accounting standards, and the safeguarding of assets.

The Company has implemented well-defined policies, procedures, and standard operating frameworks to ensure orderly and efficient conduct of its business, adherence to applicable laws and regulations, prevention and detection of frauds and errors, and accuracy and completeness of accounting records. The internal financial control systems are periodically reviewed and evaluated for their effectiveness, and necessary improvements are undertaken to strengthen the overall control environment.

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. Diwakaraiah Neriga Jagannatheswar resigned as an Executive Director of the Company with effect from August 31, 2025.

ii. Mr. Gopinath Vedaprakash was appointed as an Additional Whole-time Director with effect from

September 01, 2025, and further, he regularized as Whole-time Director in the 14th (Fourteenth) Annual General Meeting of the Company held on September 26, 2025.

iii. Dr. Raghavendra Rao Hosakote Shamarao was re-appointed as Chairman and Managing Director of the Company for a second consecutive term of 5 (Five) years effective from June 28, 2026, to June 28, 2031.

Key Managerial Personnel (KMP)

During the year, Mr. Diwakaraiah Neriga Jagannatheswar resigned as Chief Financial Officer (CFO) of the Company with effect from August 31, 2025, and CA Tuppadamane Subramanya Bhat Prasanna Kumar appointed as Chief Financial Officer (CFO) of the Company with effect from September 02, 2025.

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 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 Listing Regulations 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 2025-26, 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:

The Company recognizes its employees as a key driver of sustainable growth and continues to focus on nurturing a performance-oriented and inclusive work culture. It strives to create an engaging and enabling work environment that supports professional growth, innovation, and collaboration across all levels of the organization.

The Company has in place robust Human Resource policies and practices aimed at attracting, developing, and retaining talent while fostering a strong culture of learning and capability building. Continuous efforts are made to enhance employee skills, strengthen leadership pipeline, and align individual aspirations with organizational goals, thereby contributing to the overall growth and success of the Company.

Our dynamic Human Resource system has helped build a fair and performance-driven culture, where individual goals are aligned with the Company's growth objectives. A key focus has been our succession planning process, which identifies and develops potential future leaders through mentorship and exposure to different functions of the business.

Going forward, the Company remains committed to creating a work environment that values talent, encourages growth, and supports long-term sustainable success.

The employee strength of the Company, at the end of Financial Year i.e., March 31, 2026, was 141.

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 for 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 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 Business Responsibility and Sustainability Report (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:

The Company remains committed to upholding the highest standards of Corporate Governance and has established robust systems and processes to ensure transparency, accountability, integrity, and ethical conduct in all its operations. The governance framework of the Company is designed to protect and enhance stakeholder value through responsible and sustainable business practices.

The Board of Directors reaffirms its continued commitment to good corporate governance and ensures compliance with applicable laws, regulations, and guidelines. The Company continuously reviews and strengthens its governance practices in line with evolving regulatory requirements and industry best practices.

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:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own functioning, its Committees, and individual Directors.

The evaluation process was conducted in a structured manner based on criteria such as the composition and effectiveness of the Board, quality of deliberations, strategic guidance, participation in meetings, and the effectiveness of Board processes and information flow. The performance of the Committees was assessed by the Board after considering inputs from Committee members, with reference to their composition, roles, and effectiveness in discharging their responsibilities.

In a separate meeting of the Independent Directors, the performance of the Non-Independent Directors, the Board as a whole, and the Chairperson were evaluated, taking into account the views of Executive and Non-Executive Directors. The Nomination and Remuneration Committee also reviewed the performance of individual Directors based on their contribution to Board and Committee proceedings, level of engagement, and overall effectiveness.

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

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS:

The Company continues to conduct familiarisation programmes for its Independent Directors, to enable them to gain a comprehensive understanding of the Company's business, operations, industry dynamics, and regulatory environment. These programmes also provide insights into their roles, rights, and responsibilities, in line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Independent Directors were periodically updated through presentations, meetings, and detailed notes on business performance, strategic initiatives, risk management framework, and changes in relevant laws and regulations. The Company remains committed to organizing such programmes on an ongoing basis to ensure that the Board is well-informed and equipped to discharge its duties effectively.

Details of the familiarisation programmes imparted to the Directors are available on the Company's website at: 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:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b. 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 92(3) of the Companies Act, 2013, is available on the website of the Company
https://dcxindia.com/investors/annual-return/

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. Vikrama Award from Sanatan Foundation to Dr. H S Raghavendra Rao, Chairman and Managing Director for setting a benchmark for innovation and excellence in Defence Industry.

2. Trijala Sangama National Award at National Award Ceremony 2026 from Advait National Seva Foundation to Dr. H S Raghavendra Rao, Chairman and Managing Director for his remarkable achievements and contributions to the defence industry.

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 have been no material changes or commitments, including any penalties or punishments imposed by regulators or courts, which have occurred between the end of the financial year March 31, 2026, and the date of this Report, that would significantly impact the financial position or the 'going concern' status of the Company. The Company continues to maintain its robust compliance framework to ensure adherence to all statutory and regulatory requirements.

INSURANCE:

The Company's properties and assets, including buildings, plant and machinery, and stocks, are adequately insured against a wide range of perils including fire, earthquake, flood, and other business risks. The Company has in place adequate insurance coverage for all its assets, properties, and potential risks, in line with prudent business practices and applicable regulatory requirements. These policies are periodically reviewed by the management to ensure comprehensive risk mitigation against unforeseen events, including fire, natural calamities, theft, and other insurable risks.

The Company continues to assess its risk exposure and ensures that appropriate insurance covers are maintained and renewed on a timely basis, in alignment with industry standards and the scale of operations.

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:

The Board of Directors places on record its sincere appreciation for the continued support and co-operation received from all stakeholders, including shareholders, customers, suppliers, bankers, financial institutions, regulatory authorities, and business associates during the year under review. Their trust and confidence in the Company have been instrumental in its sustained growth and performance.

The Directors also wish to express their gratitude to the Central and State Governments and various regulatory bodies for their guidance and support. Further, the Board acknowledges with deep appreciation the dedication, commitment, and valuable contribution of the employees at all levels, whose efforts continue to drive the Company's success.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Dr. H S Raghavendra Rao	**Shivakumar R**
Chairman & Managing Director	Executive Director
DIN: 00379249	DIN: 08678987

Place: Bengaluru
Date: 12.08.2026

ANNEXURE - 1

MANAGEMENT DISCSUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

Global Economy

The global economy remained resilient through 2025, although growth continued against a backdrop of geopolitical tensions, trade fragmentation and uneven financial conditions. The International Monetary Fund estimated global growth at 3.5% in 2025 and projected moderation in 2026 as policy uncertainty, conflict-related disruptions and elevated energy risks weighed on activity. At the same time, investment in technology and strategic infrastructure remained an important source of support.

For the defence sector, the more relevant structural development was the persistence of security-led expenditure despite the uncertain macroeconomic environment. Governments continued to prioritise military readiness, supply-chain resilience and domestic capability creation, reinforcing demand across defence electronics, radar, communications and integrated systems.

Indian Economy

India remained one of the fastest-growing major economies. The IMF estimated real GDP growth of 7.7% in 2025, supported by domestic demand, public investment and continued momentum across manufacturing and services. This relative resilience provided a supportive backdrop for strategic manufacturing sectors, including defence and aerospace.

The policy environment also remained constructive for domestic manufacturing. Capital expenditure, localisation, technology absorption and the expansion of indigenous supply chains continued to receive policy attention, while defence procurement retained a strong domestic orientation.

GLOBAL AND INDIA GROWTH

Source: International Monetary Fund, World Economic Outlook, July 2026

INDUSTRY OVERVIEW

Global Defence Environment

Global military expenditure reached $2,887 trillion in 2025, increasing 2.9% in real terms and marking the eleventh consecutive annual rise. India was the fifth-largest military spender globally at $92.1 billion. The continued expansion of defence budgets reflects an environment in which readiness, electronic capability, surveillance, secure communications and resilient supply chains have become strategic priorities.

For defence electronics manufacturers, this translates into increasing demand for high-reliability assemblies, RF and microwave electronics, radar subsystems, secure communication architectures and system-level integration. Qualification thresholds remain high, with customer approvals, traceability, testing and programme continuity acting as important barriers to entry.

Source: Stockholm International Peace Research Institute, Trends in World Military Expenditure, 2025, April 2026

"For DCX, the macro backdrop matters primarily through sustained defence modernisation, domestic manufacturing and strategic technology investment."

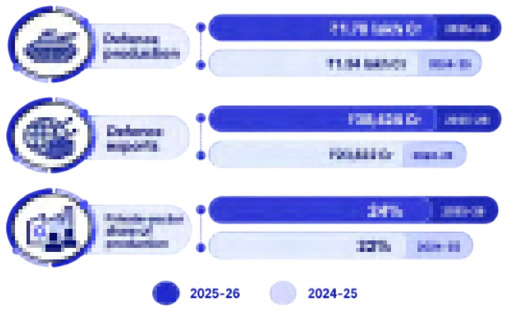
India's Defence Manufacturing Opportunity

India's defence manufacturing ecosystem moved further from import substitution towards capability creation during FY 2025-26. Defence production reached a record ₹1.78 lakh crore, up 15.6% over the previous year. Private-sector participation increased to 24% of production, equivalent to around ₹42,000 crore. Defence exports reached ₹38,424 crore, rising 62.66% year on year.

Policy support continued through Aatmanirbhar Bharat, the Defence Acquisition Procedure 2020, Positive Indigenisation Lists and domestic procurement allocations. For FY 2025-26, 75% of the modernisation budget, amounting to ₹1,11,544.83 crore, was earmarked for procurement through domestic sources. Also, ₹27,886.21 crore has been provisioned for procurement through domestic private industry.

India Defence Manufacturing Momentum

The industry's direction increasingly favours manufacturers that can combine high-reliability electronics, system integration, localisation and programme support. DCX's capabilities across Systems, Sub-Systems, backward integration including cable and wire harness assemblies, PCBA, testing and qualification align with these requirements. Its long-standing relationships with global OEMs and growing participation in non-offset programmes also provide a route to participate in both India's localisation opportunity and international defence supply chains.



Source: Ministry of Defence / Press Information Bureau, 17 June 2026 and 2 April 2026; Union Budget FY 2025-26 defence allocation, Press Information Bureau, 1 February 2025

SWOT ANALYSIS

STRENGTHS	WEAKNESSES
➢ Long-standing relationships with global defence and aerospace OEMs. ➢ Integrated capabilities spanning cable and wire harness, PCBA, system integration and testing. ➢ Backward integration through Raneal Advanced Systems. ➢ Consolidated order book of approximately ₹2,984 crore as at March 31, 2026.	➢ Long and milestone-driven defence programme execution cycles ➢ Working-capital intensity associated with high-value components and longer qualification periods ➢ Dependence on customer schedules, approvals and programme milestones ➢ Exposure to specialised imported components for select applications
OPPORTUNITIES	**THREATS**
➢ Rising domestic procurement and defence indigenisation ➢ Increasing non-offset and system-level assignments ➢ Technology transfer and localisation through ELTX Systems and NIART Systems ➢ Export-led manufacturing and deeper participation in global OEM supply chains	➢ Geopolitical and supply-chain disruption. ➢ Rapid technology evolution and obsolescence risk. ➢ Regulatory, qualification and programme delays. ➢ Cybersecurity, data-security and intellectual-property risks.

COMPANY INFORMATION

DCX Systems Limited is an integrated defence electronics and systems manufacturing company serving leading global OEMs and Indian defence programmes. Established in 2011, the Company operates from the Hi-Tech Defence and Aerospace Park SEZ, Bengaluru, with capabilities spanning cable and wire harness assemblies, high-reliability printed circuit board assemblies, RF and microwave modules, electronic subsystems, electro-mechanical assemblies, system integration, testing and qualification.

Through its wholly owned subsidiary, Raneal Advanced Systems Private Limited, DCX has strengthened its backward integration into electronics manufacturing services and PCBA. The Group also participates in radar, electronic warfare and railway obstacle-detection applications through its strategic joint ventures. Its customer relationships extend across India and key international defence and aerospace markets, supported by long-standing programme participation and stringent quality and compliance standards.

Strengthen the Core	Backward Integration	System Integration	Technology Participation
Cable and wire harness assemblies and established manufacturing competencies.	Raneal expands high-reliability PCBA capability and supply-chain control.	Greater participation across electronic subsystems, radar-related integration, testing and qualification.	ELTX and NIART create pathways for localisation, ToT and emerging product opportunities.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational Review

FY2025-26 was marked by deeper programme participation, capability expansion and progress across strategic technology platforms. While execution was moderated by supply-chain disruptions, export-licence delays and qualification timelines, the Company continued to strengthen its operating position across defence electronics, radar systems and high-reliability manufacturing.

Key developments during the year included:

- Consolidated order book of ₹2,984 crore as at March 31, 2026, supported by continued domestic and international order inflows.
- Secured a major order of ~₹563 crore for manufacture and supply of a Maritime Patrol Radar System for airborne application, alongside with an order of ~₹68 crore from Hindustan Aeronautics Limited for antennas and power supplies.
- Obtained a Defence Industrial Licence covering radar systems, electronic warfare systems, avionics and other defence electronic equipment under Category-A classification.
- Advanced the ELTX Systems platform through the Tamil Nadu manufacturing facility initiative for radar and electronic warfare systems under Make in India.
- Progressed NIART's railway obstacle-detection programme through successful functional and fog trials and subsequent prototype deployment and accumulation runs.
- Expanded Raneal's manufacturing capability through an oversized PCBA facility and increased participation in surveillance and electronic warfare opportunities.

Financial Review

During FY 2025-26, DCX reported consolidated revenue from operations of ₹743.34 crore, compared with ₹1,083.67 crore in FY 2024-25. The moderation in revenue was largely attributable to supply-chain disruptions, delays in export licences for critical components, restricted movement of materials and technical personnel, and extended qualification and certification timelines across certain defence programmes.

Consolidated EBIT stood at ₹12.69 crore, with an EBIT margin of 1.71%, compared with ₹71.27 crore and 6.58%, respectively, in the previous year. Consolidated PAT was ₹(7.71) crore, against ₹38.88 crore in FY 2024-25.

The consolidated profitability was also impacted by NIART Systems Limited, which remained in the product-development and R&D stage and had not commenced commercial production during the year. NIART recorded a loss of ₹41.78 crore for FY 2025-26, including ₹16.27 crore arising from foreign-currency translation under Ind AS 21.

Despite the lower reported earnings, the Company closed the year with a consolidated order book of approximately ₹2,984 crore, providing medium-term revenue visibility as programme execution normalises.

"The year therefore reflected a continued shift from component-level execution towards greater system responsibility, technology participation and localisation."

Particulars	FY 2025-26	FY 2024-25
Revenue from Operations	₹743.34 crore	₹1,083.67 crore
EBIT	₹12.69 crore	₹71.27 crore
EBIT Margin	1.71%	6.58%
PAT	₹(7.71) crore	₹38.88 crore
PAT Margin	(1.04%)	3.59%
Closing Order Book	₹2,984 crore	₹2,855 crore

INTERNAL CONTROLS AND RISK MITIGATION STRATEGIES

DCX has established an internal control framework aligned with the scale, complexity and regulated nature of its defence and aerospace operations. The framework is designed to support reliable financial reporting, safeguard assets, maintain process discipline and ensure compliance with applicable statutory, contractual and customer-specific requirements.

The control environment is supported by documented policies and standard operating procedures, defined authority, matrices, segregation of duties, periodic internal audits and review by the Audit Committee. Operational controls extend across procurement, inventory, production, testing, quality assurance, finance, information systems and statutory compliance. Given the long-cycle and high-reliability nature of defence programmes, the Company places particular emphasis on programme monitoring, supplier qualification, traceability, inventory planning, export-control compliance, information security and milestone-based execution.

Key risks and mitigation approach

Risk Area	Exposure	Mitigation / Controls in Place
Programme Execution Risk	Delays in qualification, certification, customer approvals or milestone completion can defer revenue recognition.	Programme-level monitoring, customer coordination, defined execution milestones, testing and qualification protocols, and periodic management review.
Supply-chain & Component Risk	Dependence on specialised and imported components can expose operations to shortages, export-licence delays and geopolitical disruptions.	Approved vendor framework, alternate-source development, procurement planning, inventory buffers for critical components, supplier performance monitoring and traceability controls.
Working-capital & Liquidity Risk	Defence programmes can involve extended procurement and execution cycles.	Budgeting, cash-flow monitoring, working-capital planning, receivables review and conservative balance-sheet management.
Technology & Obsolescence Risk	Rapid changes in radar, EW and defence electronics can affect product relevance and component availability.	Technology Transfer arrangements, strategic partnerships, obsolescence management, capability upgrades and continued participation in new programme opportunities.
Quality & Compliance Risk	Failure to meet defence, aerospace or customer-specific standards can affect qualification and programme continuity.	AS9100:2016, ISO 9001:2015, IPC standards, controlled manufacturing processes, inspection, testing and documented quality systems.
Cybersecurity & Data Risk	Defence programmes involve sensitive technical and customer information.	Access controls, licensed systems, information-security procedures, periodic audits, vulnerability assessments and restricted access to sensitive information.
Regulatory & Export-control Risk	Defence manufacturing is subject to industrial licensing, security classifications, export controls and customer-country regulations.	Legal and secretarial review, compliance monitoring, licence tracking, export documentation controls and periodic statutory reviews.
Human-capital Risk	Specialist technical skills are critical to execution quality and continuity.	Structured recruitment, training, skill development, performance reviews, succession planning and employee-welfare practices.
Business Continuity Risk	Fire, natural events, IT disruption or facility interruption can affect programme delivery.	Insurance cover, fire and safety systems, emergency procedures, drills, data backup and continuity planning.

HUMAN RESOURCES

DCX's ability to execute high-reliability defence and aerospace programmes is closely linked to the technical capability, safety and development of its workforce. The Company's people practices therefore focus on skill development, occupational health and safety, employee well-being and structured performance management. As at March 31, 2026, DCX had 89 permanent employees and 139 workers, including 52 permanent and 87 other-than-permanent workers. During the year, 100% of permanent employees and permanent workers received health and safety as well as skill-upgradation training, while 100% were also covered under performance and career-development reviews.

The Company maintains an occupational health and safety management system covering workplace risk identification, safety procedures, training, incident reporting and investigation. Its practices include first-aid and fire-safety training, periodic mock drills, PPE requirements and structured processes for reporting workplace hazards. No safety-related incidents were reported during FY 2025-26. Employee well-being is further supported through health and accident insurance coverage, statutory retirement benefits and a structured grievance-redressal mechanism. As DCX expands into increasingly complex system-level programmes, the Company will continue to strengthen workforce capability alongside its manufacturing and technology platform.

OUTLOOK

DCX enters FY 2026-27 with a consolidated order book of approximately ₹2,984 crore, expanding system-level capabilities and improving visibility across radar, electronic warfare and high-reliability electronics programmes. Management has also indicated easing supply-chain conditions, greater predictability in export-licence processes and continued progression of key programmes through qualification milestones.

The external environment remains supportive. India's defence production reached ₹1.78 lakh crore in FY 2025-26, while defence exports rose 62.66% to ₹38,424 crore. The FY 2026-27 defence budget further reinforces domestic manufacturing, with approximately 75% of the capital acquisition allocation earmarked for procurement from domestic industry.

Against this backdrop, DCX will remain focused on disciplined order-book execution, improving operating efficiency, progressing ELTX and NIART towards commercial milestones, and deepening participation in non-offset, surveillance and electronic warfare opportunities.

CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis may be forward-looking in nature and reflect the Company's current expectations, estimates and assumptions regarding future business conditions, performance and prospects. Actual results may differ materially due to factors including geopolitical developments, changes in government policies and regulations, defence procurement timelines, supply-chain disruptions, availability of critical components, foreign exchange movements, technology changes and other risks inherent to the Company's operations.

Readers are therefore cautioned not to place undue reliance on such forward-looking statements. The Company undertakes no obligation to publicly update or revise these statements except as required under applicable laws and regulations.

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	385.55
6.	Total Assets	3,003.36
7.	Total Liabilities	2,479.56
8.	Investments	NIL
9.	Turnover	3,737.16
10.	Profit before taxation	12.29
11.	Provision for taxation	2.79
12.	Profit after taxation	9.50
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.	01.01.2025 to 31.12.2025
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Details to be read in NIS
4.	Share Capital	0.005
5.	Share Warrant	90.88
6.	Reserves & Surplus	74.19
7.	Total Assets	177.58
8.	Total Liabilities	3.54
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	(13.27)
12.	Provision for taxation	-
13.	Profit after taxation	(13.27)
14.	Proposed Dividend	NIL
15.	% of Shareholding	100%

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

1. Names of subsidiaries which are yet to commence operations – NIART Systems Ltd (Israel)
2. 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 Associate/Joint Venture	ELTX Systems Private Limited
2.	Latest audited Balance Sheet Date	March 31, 2026
3.	Date on which the Associate or Joint Venture was associated or acquired	October 10, 2025
4.	Shares of Associate/Joint Venture held by the Company at the year end:	
	• No. of Shares	92,500 Equity Shares of ₹ 10/- each
	• Amount of Investment in Associate/Joint Venture	₹ 0.925 Mn
	• Extent of Holding %	37%
5.	Description of how there is significant influence	Pursuant to terms of Joint Venture Agreement executed between JV Partners, having control by way of 37% voting power and having the ability to influence business decisions.
6.	Reason why the associate/joint venture is not consolidated	Not Applicable
7.	Net worth attributable to shareholding as per latest audited Balance Sheet	(₹ 0.48 Mn)
8.	Profit/Loss for the year	
	• Considered in Consolidation	(₹ 0.48 Mn)
	• Not Considered in Consolidation	N.A.

1. Names of associates or joint ventures which are yet to commence operations – ELTX Systems Private Limited
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

Sd/-	Sd/-
Dr. H S Raghavendra Rao	**Shivakumar R**
Chairman & Managing Director	Executive Director
DIN: 00379249	DIN: 08678987

Place: Bengaluru
Date: 12.08.2026

ANNEXURE - 3

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

(Pursuant to Section 134 of the Act 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	39.68	No Change
2.	Ramegowda Shiva Kumar	Executive Director	10.76	9.16
3.	*Gopinath Vedaprakash	Whole-time Director	6.94	N.A.#
4.	*Diwakaraiah Neriga Jagannatheswar	Executive Director	4.13	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.

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 under review, Gopinath Vedaprakash was appointed as Whole-time Director with effect from September 01, 2025 and Mr. Diwakaraiah Neriga Jagannatheswar was resigned as an Executive Director with effect from August 31, 2025.

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.	Ramegowda Shiva Kumar	Executive Director and Vice-President	10.76	9.16%
2.	*Prasanna Kumar T S	Chief Financial Officer (CFO)	7.31	9.16%
3.	Gurumurthy Ganapati Hegde	Company Secretary, Legal and Compliance Officer	4.02	14.08%
4.	G.S Manjunath	DGM – HR & Admin	3.94	9.16%
5.	Rajanikanth K N	Senior Manager - Logistics	3.77	13.74%
6.	Anand S	Senior DGM - SCM	6.92	9.16%
7.	Pramod. B	Senior DGM-Operations	6.92	9.16%
8.	Atul D Mutthe	Senior Manager - Quality	3.78	17.95%

Sl. No.	Name of the KMP	Designation	Ratio of remuneration to Median Remuneration	% of Increase / Decrease in Remuneration Y-O-Y
9.	*Diwakaraiah Neriga Jagannatheswar	Chief Financial Officer (CFO)	4.13	NA#

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, CA Prasanna Kumar T S was appointed as Chief Financial Officer with effect from September 02, 2025 and Mr. Diwakaraiah Neriga Jagannatheswar was resigned as Chief Financial Officer with effect from August 31, 2025.

1.	Percentage increase / (decrease) in median remuneration of employees in the financial year	The median remuneration of employees increased from ₹0.435 Mn, as of March 31, 2025 to ₹ 0.604 Mn as at March 31, 2026, representing an increase of 38.85 %.
2.	Number of permanent employees on the rolls of the Company	There were 141 permanent employees on the rolls of Company as on March 31, 2026.
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 37.32%. The percentile decrease in managerial remuneration was 45.56%.
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 2025-26 was ₹0.604 Mn.	

ANNEXURE - 4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2026

[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 & 107,
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 31.03.2026, 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 31.03.2026, 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 provided approval for execution of joint venture agreement between the Company and Elta group and formation of Joint venture Company pursuant to resolution passed by the Board of Directors of the Company on April 17, 2025 in accordance with the provisions of Section 2(6), Section 179, 186 of Companies Act, 2013 and rules made thereunder.

2. During the year under review, the Board of Directors, at its meeting held on May 12, 2025, approved an investment in the securities of NIART Systems Limited, a wholly owned subsidiary of the Company incorporated in Israel, for an aggregate amount not exceeding USD 25.05 million (approximately INR 209.73 crores), in accordance with the provisions of Sections 179, 186 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder.

   Further, the Board also approved the utilisation of funds earmarked for general corporate purposes out of the proceeds raised through the Qualified Institutions Placement (QIP) towards such investment, including an incremental investment not exceeding INR 0.73 crores, in compliance with Regulation 7(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

3. During the year under review, the Board of Directors, at its meeting held on August 18, 2025, appointed Mr. Gopinath Vedaprakash (DIN: 11241863) as an Additional Whole-Time Director of the Company with effect from September 1, 2025, for a term of five (5) years, pursuant to the provisions of Sections 161(1), 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company. He shall be liable to retire by rotation, and his remuneration was approved by the Board of Directors.

   Thereafter, the Members of the Company, at the Annual General Meeting held on September 26, 2025, approved his appointment as Whole-Time Director of the Company with effect from September 1, 2025, for a term of five (5) years, along with the remuneration payable to him.

4. During the year under review, the Company has appointed CA. Prasanna Kumar T S (M No. 228506) as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company, effective from September 02, 2025 pursuant to resolution passed by the Board of Directors on September 02, 2025 in accordance with provisions of Section 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions.

5. During the year under review, Mr. Diwakaraiah Neriga Jagannatheswar (DIN: 00427317) resigned from the office of Director and Chief Financial Officer of the Company. The Board of Directors took note of the resignation at its meeting held on August 18, 2025 and the resignation became effective from the close of business hours on August 31, 2025.

6. During the year under review, Dr. Raghavendra Rao Hosakote ShamaRao (DIN: 00379249) has re-appointed as Chairman and Managing Director of the Company for a term of 5 (five) years effective from June 28, 2026 to June 28, 2031 (both inclusive) in accordance with provisions of section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule V to the Act, and Articles of Association of the Company at payment of remuneration pursuant to resolution passed by the Board of Directors on September 02, 2025.

   Thereafter, the Members of the Company, at the Annual General Meeting held on September 26, 2025, approved his re-appointment as Chairman and Managing Director of the Company with effect from for a term of 5 (five) years effective from June 28, 2026 to June 28, 2031 (both inclusive), along with the remuneration payable to him.

7. During the year under review, the Board of Directors of the Company at their meeting held on August 07, 2025, approved to make an initial investment of INR 9,25,000/- (Indian Rupees Nine Lakhs Twenty Five Thousand) in the form of equity share capital in the proposed Joint Venture Company (JVC), M/s. ELTX SYSTEMS PRIVATE LIMITED by subscribing 92,500 equity shares of INR 10/- each of the Memorandum of Association of the JVC, as part of the incorporation process of the JVC.
8. During the year under review, the Company filed multiple MGT-6 and BEN-2 form from time to time, as and when the respective events occurred.

Pramod S.
Practicing Company Secretary
ACS: 36020; CP No.: 13335
Peer Reviewed Unit: 8081/2026
ICSI UDIN: A036020H000733851

Place: Bengaluru
Date: 02.07.2026

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, Kavadadasanahalli,
Bengaluru rural 562110 Karnataka India.

My Secretarial Audit Report of even date, for the Financial Year 2025-26 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.

Pramod S.
Practicing Company Secretary
ACS: 36020; CP No.: 13335
Peer Reviewed Unit: 8081/2026
ICSI UDIN: A036020H000733851

Place: Bengaluru
Date: 02.07.2026

ANNEXURE - 4A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Raneal Advanced Systems Private Limited
Ground Floor, Southern Block, Aerospace Sez Sector,
Plot Nos 29,30 & 107, Hitech Defence and
Aerospace Park, Kavadadasanahalli Village,
Devanahalli, Bangalore 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 **M/s. Raneal Advanced Systems Private Limited** (hereinafter called "the Company") bearing **CIN: U31900KA2022PTC157486**, Secretarial Audit was conducted in a manner that provided me 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 March 31, 2026, 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 March 31, 2026 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 Bye-laws 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;

(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; **(Not Applicable to the Company during the Audit Period)**

 (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**

 (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**

 (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

 (e) 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)**

 (f) Securities and Exchange Board of India (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**

 (g) 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;

 (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

 (i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

 (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

 (k) 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)**

 (l) The management of the Company has confirmed that, during the period under review, there is no specific law applicable exclusively to the Company, other than those generally applicable to companies of a similar nature of business.

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 Agreements were not entered by the Company with any Stock Exchange(s), hence not applicable.

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 financial 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 and Non-Executive Directors. During the period under review, there were no changes in the Composition of the Board of Directors and KMP of the Company.

Further, adequate notices have been given to all the 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 has been taken, wherever required.

All decisions at the Board Meetings and Committee Meetings are carried out with the requisite majority of the Directors of the Company.

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.

I further report that during the audit period the company has the following events/ actions having a major bearing on the company's affairs in pursuance of the above-mentioned laws, rules, regulations, guidelines, standards, etc. referred to above.

1) The Company at its Board meeting held on June 09, 2025 has shifted the registered office of the Company from current address at No. 64/1, 1st Floor, Sajjan Rao Circle, Kavi Lakshmisha Road, Visveshwarapuram, Bangaluru-560004 India, .which is within the local limits of Bengaluru City, to the new address at 'Ground Floor, Southern Block, Aerospace SEZ Sector, Plot No 29,30 and 107, Hitech, Defence and Aerospace Park, Kavadadasanahalli Village, Channarayapattana Hobli, Devanahalli, Bengaluru Rural, Karnataka, 562110, India' which is within the same State of Karnataka but outside the local limits of Bengaluru and under the jurisdiction of the same Registrar of Companies (ROC).

2) The Company at its Board Meeting held on February 04, 2026 has appointed CA. Prasannakumar T S (M. No. 228506) as the Chief Financial Officer (CFO) (Key Managerial Personnel) of the Company, pursuant to Section 2(19) and Section 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 of the Companies Act, 2013.

3) The Company at its Board Meeting held on June 09, 2025 has appointed Mr. Prakash Nagabushan (DIN: 00998992), an independent director of the Company Pursuant to Regulation 24(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4) The Company at its Board Meeting held on September 10, 2025 has appointed Mrs. Lathika Siddharth Pai (DIN: 00420102) as an Additional Independent Director of the Company pursuant to section 149, 152 and 161 and other applicable provisions of the Companies Act, 2013.

5) The Company at its Board meeting held on August 18, 2025 noted the resignation of Mr. Diwakaraiah Neriga Jagannatheswar from the position of Chief Financial Officer (CFO) of the Company, with effect from the close of business hours on August 31, 2025.

6) The Company has passed the following ordinary resolutions at its Extra-Ordinary General Meeting held on June 20, 2025:

   a) Appointment of M/s. P P B N &Co Chartered Accountant as the statutory auditors of the company to fill casual vacancy for the FY 2025-26 caused due to the resignation of the previous auditors M/s. Rajagopal. A, Chartered Accountant.

Pramod S.
Practicing Company Secretary
ACS: 36020; CP No.: 13335
Peer Reviewed Unit: 8081/2026
ICSI UDIN: A036020H000733860

Place: Bengaluru
Date: 02.07.2026

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

Annexure A

To,
The Members,
Raneal Advanced Systems Private Limited
Ground Floor, Southern Block, Aerospace Sez Sector,
Plot Nos 29,30 & 107, Hitech Defence and
Aerospace Park, Kavadadasanahalli Village,
Devanahalli, Bangalore Rural-562110
Karnataka, India.

My Secretarial Audit Report for the Financial Year 2025-26 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 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.
5. I have relied on the information and documents provided by the Company and the audit is carried out based on the same.

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 financial records and Books of Accounts of the Company.

Pramod S.
Practicing Company Secretary
ACS: 36020; CP No.: 13335
Peer Reviewed Unit: 8081/2026
ICSI UDIN: A036020H000733860

Place: Bengaluru
Date: 02.07.2026

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 subsection (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	Purchase of Raw materials, goods
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	₹306.83Mn and the transaction is of ordinary course of business at arm's length basis
e)	Date of approval by the Board, if any	21.03.2025
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/Sale 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	₹3,759.19 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	21.03.2025
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	Availing or rendering of a 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	21.03.2025
f)	Amount paid as advances, if any	NIL

ANNEXURE - 6

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION 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)

	FY 2025-26	FY 2024-25
Total Foreign Exchange earnings	7,263.40	10,982.59
Total Foreign Exchange outgo	8,394.02	14,546.04

ANNEXURE - 7

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

The Company believes that sustainable business growth is intrinsically linked with the well-being and development of the communities in which it operates. Guided by this philosophy, the Company's Corporate Social Responsibility (CSR) Policy seeks to create a positive and lasting social impact by undertaking initiatives that contribute to inclusive and sustainable development, with due emphasis on the local areas and communities surrounding its business operations.

The CSR Policy of the Company is framed in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder. The Company undertakes CSR initiatives in the areas specified under Schedule VII to the Companies Act, 2013, with a primary focus on promoting education, healthcare, skill development and employability, environmental sustainability, community development, and other socially beneficial activities.

The Company's CSR programmes are designed to benefit socially and economically disadvantaged sections of society, including underprivileged and marginalized communities, through initiatives aimed at enhancing awareness, improving access to education and healthcare, strengthening livelihood opportunities, and supporting overall community welfare. Through its CSR interventions, the Company remains committed to contributing meaningfully to the socio-economic development of society and creating long-term value for all stakeholders.

2. The Composition of the CSR Committee:

The Corporate Social Responsibility Committee comprised of the following directors as its members as on March 31, 2026:

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): ₹754.17 Mn

(b) Two percent of average net profit of the Company as per section 135(5): ₹15.08 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: ₹0.08 Mn

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹15.00 Mn

6. (a) Amount Spent on CSR Projects (both ongoing projects and other than ongoing projects): ₹15.00 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)]= ₹15.00 Mn

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	(Amount Unspent)				
	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
₹15.00 Mn	Not Applicable	Not Applicable	Not Applicable	Nil	Not Applicable

(f) Excess amount for set off, if any: ₹0.002 Mn

Sl. No.	Particular	Amount (in ₹Mn)
(i)	Two percent of average net profit of the company as per section 135(5)	15.08
(ii)	**Total CSR Obligation for the financial year**	**15.00**
(iii)	**Total amount spent for the Financial Year**	**15.00**
(iv)	Excess amount spent for the financial year [(ii)-(i)]	0.002
(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)]	0.002

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 2022-23	-	-	-	-	-	-
2	FY 2023-24	-	-	-	-	-	-
3	FY 2024-25	-	-	-	-	-	-

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: 12.08.2026

BUSINESS RESPONSIBILITY AND

FY 2025-26

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT FY 2025-26

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity**[1] – 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, Kavadadasanahalli, Bengaluru Rural, Karnataka, India, 562110
5. **Corporate address** – Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadadasanahalli, Bengaluru Rural, Karnataka, India, 562110
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** –2025-26
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/-
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** –

    Name: Mr. Gurumurthy Hegde,
    Company Secretary, Legal and Compliance Officer
    Ph.: +91-80-6711 9555
    Email Id.: 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).** –

    All the disclosures in this report pertain to DCX systems Limited and have been made on a standalone basis.
14. **Name of assessment or assurance provider**[2] –

    Not Applicable for the reporting period as per SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dt. 28th March 2025.
15. **Type of assessment or assurance obtained**[3] –

    Not Applicable for the reporting period as per SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dt. 28th March 2025.

[1] Numbers have been rationalised in this year's BRSR, wherever required.
[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
[3] 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 as a single business segment, all products and services referenced above to that segment. (For internal data purposes, we have only classified them into three product/service categories.)

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	02	02	04
International	00	00	00

* The Company's Corporate Office is located within its Bengaluru SEZ unit, and it operates an additional plant/office in the Domestic Tariff Area (DTA) located in Defence and Aerospace Park, Bengaluru.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	03
International (No. of countries)	06

* International Markets Served- Israel, Canada, Netherlands, USA, UAE, and UK.

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

The contribution of exports to the Company's total turnover is 58.04% (including deemed exports). As the Company operates from a Special Economic Zone (SEZ), supplies made to another SEZ or to an Export Oriented Unit (EOU) within India are treated as deemed exports.

c. A brief on types of customers:

The Company serves Original Equipment Manufacturers (OEMs) across and around domestic and international markets, with a focus on the Defence and Aerospace sectors. Its customer base spans geographies including Israel, and the United States. The Company caters to specific customer requirements through value-added services such as system integration, build to print solutions, and cable and wire harness capabilities. Through its continued engagement with both global and domestic customers, the company has built a reputation as a dependable partner in the Defence and Aerospace industry, supported by its technical expertise, skilled workforce, quality standards, and commitment to timely delivery.

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)	90	82	91.11	08	8.89
2.	Other than Permanent (E)	00	00	0.00	00	0.00
3.	**Total employees (D + E)**	**90**	**82**	**91.11**	**08**	**8.89**
		WORKERS				
4.	Permanent (F)	55	50	90.91	05	9.09
5.	Other than Permanent (G)	87	83	95.40	04	4.60
6.	**Total workers (F + G)**	**142**	**133**	**93.66**	**09**	**6.34**

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)	00	00	0.00	00	0.00
2.	Other than Permanent (E)	00	00	0.00	00	0.00
3.	**Total differently abled employees (D + E)**	**00**	**00**	**0.00**	**00**	**0.00**
		DIFFERENTLY ABLED WORKERS				
4.	Permanent (F)	00	00	0.00	00	0.00
5.	Other than permanent (G)	00	00	0.00	00	0.00
6.	**Total differently abled workers (F + G)**	**00**	**00**	**0.00**	**00**	**0.00**

21. Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
	No. (A)	No. (B)	% (B / A)
Board of Directors	06	01	16.67
Key Management Personnel	09	00	0.00

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

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.29	30.77	13.14	11.68	40.00	26.89	08.93	0.00	08.93
Permanent Workers	57.83	0.00	55.17	08.51	0.00	04.26	09.30	0.00	09.30

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	No
2.	NIART Systems Limited (Israel)	Subsidiary	100	No
3.	ELTX Systems Private Limited	Associate & Joint Venture	37	No

VI. CSR Details

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

(ii) Turnover (in ₹): 7,398.72 Million

(iii) Net worth (in ₹): 11,870.05 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:

<table>
<tr><th rowspan="2">Stakeholder group from whom complaint is received</th><th>Grievance Redressal Mechanism in Place (Yes/ No)</th><th colspan="3">FY 2025-26</th><th colspan="3">FY 2024-25</th></tr>
<tr><th>(If Yes,then provide web-link for grievance redress policy)</th><th>Number of complaints filed during the year</th><th>Number of complaints pending resolution at close of the year</th><th>Remarks</th><th>Number of complaints filed during the year</th><th>Number of complaints pending resolution at close of the year</th><th>Remarks</th></tr>
<tr><td>Communities</td><td>Yes, for community grievances this link can be accessed: https://dcxindia.com/contact-us/</td><td colspan="6" rowspan="6">Nil, No complaints or grievances were received from any of the specified stakeholder groups during the reporting period.</td></tr>
<tr><td>Investors (other than shareholders)</td><td>Yes, for grievances from investors (other than shareholders) this link can be accessed: https://dcxindia.com/contact-us/</td></tr>
<tr><td>Shareholders</td><td>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/</td></tr>
<tr><td>Employees and workers</td><td>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</td></tr>
<tr><td>Customers</td><td>Yes, for grievances from customers this link can be accessed: https://dcxindia.com/contact-us/</td></tr>
<tr><td>Value Chain Partners</td><td>Yes, for grievances from Value Chain Partners this link can be accessed: https://dcxindia.com/contact-us/</td></tr>
</table>

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 implications, as per the following format[4]

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)
Waste & Hazardous Materials Management	Risk	Aerospace and defence manufacturing processes may generate hazardous waste, including heavy metals and wastewater treatment sludge, requiring careful handling and disposal. Managing such waste presents regulatory and operational challenges, as its transportation, treatment, storage and disposal are governed by applicable environmental regulations. Effective waste management practices, such as waste reduction, proper treatment, recycling and resource recovery, help minimise environmental impacts, ensure regulatory compliance and reduce long-term operational costs and potential liabilities.	To mitigate waste management risks, the Company has adopted a systematic approach to minimising waste generation and ensuring its safe handling, treatment and disposal in accordance with the applicable environmental regulations, in order to reduce the risks with waste management. It encourages responsible waste separation, recycling and recovery of resources. As far as possible to minimise the amount of waste that needs to be disposed. The company also follow the safe disposal of hazardous waste through authorised agencies and monitors regularly its waste management practices to improve operational efficiency. Ongoing awareness programs conducted by the company to reduce the environment impacts and regulatory risks.	Negative Implication (There were no negative financial implications for the FY 25-26)
Energy Management	Risk	Energy is an essential input for defence and aerospace manufacturing operations, with fuel and electricity accounting for a significant part of operational energy consumption. The options of energy sources, energy management practices, and consumption levels differ based on the nature of manufacturing activities. The Company's energy mix, containing grid electricity, on site power generation, and alternative energy sources, can influence energy costs, compliance with evolving regulatory requirements, and supply reliability, as a result impacting operational efficiency and overall cost structure.	Effective energy management is a key priority for the Company, particularly in the aerospace and defence manufacturing sector, where energy costs significantly impact operations. The Company strives to optimize energy consumption and reduce its environmental footprint through energy-efficient practices, including the efficient use of air-conditioning systems, tree plantation initiatives, and employee awareness programmes on responsible energy use. The Company also explores cost-effective and sustainable energy sources to reduce dependence on conventional energy. These initiatives help mitigate energy-related risks, improve operational efficiency, and support the Company's long-term sustainability objectives.	Negative Implication (There were no negative financial implications for the FY 25-26)
Data Security	Risk	Data Security in the aerospace and defence industry handle sensitive military and aviation related information, making them expose to cyber threats and data security breaches. A breach of information systems can result in operational disruptions, financial losses and damage to reputation, as well as expose the company to regulatory and legal consequences. To protect critical information the company ensure continuous investment in technology, system upgrades and cyber security measures are required.	To mitigate the risk to data security, the company has implemented dedicated information security protocols and standard operating procedures to safeguard sensitive information regarding the products from cyber-attacks, data theft and unauthorised access. The company also conducts routine security audits and vulnerability assessments to detect possible loopholes and strengthen its cybersecurity. The company organise periodic training programs on cybersecurity to employees and also works with cybersecurity experts and uses threat intelligence to improve its capacity to detect and respond to new cyber threats.	Negative Implication (There were no negative financial implications for the FY 25-26)

[4] 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 20th June, 2025 at 11:10 IST

Product Quality & Safety	Opportunity	The aerospace and defence industry places a high priority on product safety because of the critical nature of the products used in aviation and military operations. This is an opportunity for the company to create customer confidence through the provision of reliable, high quality products that meet safety and regulatory requirements. The company's strong product design, effective supplier evaluation and strong quality focus throughout the product lifecycle allows the company to improve product reliability, build long term customer relationships and strengthen its competitive position in the industry.	Not Applicable	Positive
Product and Design	Opportunity	Growing customer expectations and evolving regulatory requirements are increasing the demand for energy-efficient and low-emission products in the aerospace and defence industry. This provides an opportunity for the company to align its products and operations with evolving market and regulatory expectation while helping customers achieve their sustainability goals. By delivering high quality standards and adapting to the changing needs of the industry, the Company can build customer relationships and improve its competitive position in the aerospace and defence industry.	Not Applicable	Positive
Materials Sourcing & Efficiency	Risk	The aerospace and defence manufacturing industry depends on the availability of critical raw materials have few substitutes and are sourced from a small number of countries. Supply chain disruptions, geopolitical uncertainties and increasing global demand for these materials could impact availability and price volatility. These factors can impact the continuity of production, increases input costs, and financial risks for the business.	To mitigate supply chain risks, the Company takes a proactive approach to procurement and supplier management and ensure the timely availability of critical materials. The company also works closely with qualified suppliers, monitors supply chain developments and evaluates alternative sourcing options, wherever feasible, to reduce dependence on a small supplier base. The Company also focuses on maintaining appropriate inventory levels for key materials and strengthening supplier relationships to enhance supply chain resilience. These measures help minimise the impact of supply disruptions, manage input cost volatility and ensure continuity of operations.	Negative Implication (There were no negative financial implications for the FY 25-26)
Business Ethics	Opportunity	Aerospace and defence companies operating across multiple jurisdictions can gain stakeholder confidence by maintaining high standards of business ethics and corporate governance. Adherence to robust ethical practices and compliance with applicable laws enables entities to enhance transparency, build long-term customer and investor trust, and strengthen their brand reputation. To take advantage of this opportunity and ensure effective governance, the Company has adopted and follows all applicable regulations, policies and laws, fostering a culture of integrity, accountability and responsible business conduct.	Not Applicable	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1. a.	**Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
b.	**Has the policy been approved by the Board? (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
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 links)								

S. No.	Name of the Policy	Link to Policy	Principles governed by the Policy
1.	Code of Conduct for Regulate Monitor and Report of Trading in Securities of the Company by Insiders	https://dcxindia.com/wp-content/uploads/2025/12/Code-of-Conduct-for-trading-in-securities-of-the-Company-by-Insiders.pdf	P3
2.	Corporate Social Responsibility Policy	https://dcxindia.com/wp-content/uploads/2025/12/CSR-Policy.pdf	P4, P8
3.	Risk Management Policy	https://dcxindia.com/wp-content/uploads/2025/12/Risk-Management-Policy.pdf	P1, P2
4.	Familiarisation Programme for Independent Directors	https://dcxindia.com/wp-content/uploads/2025/12/Familiarisation-Programme-for-Independent-Directors.pdf	P1
5.	Vigil Mechanism Policy	https://dcxindia.com/wp-content/uploads/2025/12/Vigil-Mechanism-Policy.pdf	P1
6.	Information Technology and its Security Guidelines Procedure	https://dcxindia.com/wp-content/uploads/2026/07/Cyber-Security-Policy.pdf	P1
7.	Vigil Mechanism and Whistle Blower Operating Guidelines	https://dcxindia.com/wp-content/uploads/2025/12/Whistle-Blower-Operating-Guidelines.pdf	P1
8.	Remuneration Policy	ttps://dcxindia.com/wp-content/uploads/2022/04/5_Remuneration_Policy.pdf	P5
9.	Code of Conduct	https://dcxindia.com/wp-content/uploads/2025/12/Code-of-Conduct.pdf	P1, P7
10.	Risk Management Policy	https://dcxindia.com/wp-content/uploads/2025/12/Risk-Management-Policy.pdf	P1
11.	Procedure for intimation the board about risk assessment and minimization risk assessment and minimization	https://dcxindia.com/wp-content/uploads/2025/12/Risk-Assessment.pdf	P1
12.	Policy on Succession Planning	https://dcxindia.com/wp-content/uploads/2025/12/Policy-on-Succession-Planning.pdf	P1, P3
13.	Board Diversity Policy	https://dcxindia.com/wp-content/uploads/2025/12/Policy-on-Board-Diversity.pdf	P1
14.	Policy on Preservation of Documents and Archival Policy	https://dcxindia.com/wp-content/uploads/2025/12/Policy-on-Preservation-of-Documents-Archival-Policy.pdf	P1, P4
15.	Policy for Determination of Materiality of Event or Information	https://dcxindia.com/wp-content/uploads/2025/12/Policy-for-Determination-of-Materiality-of-Event-or-Information.pdf	P1
16.	Materiality Policy	https://dcxindia.com/wp-content/uploads/2025/12/Materiality-Policy.pdf	P1

S. No.	Name of the Policy	Link to Policy	Principles governed by the Policy
17.	Policy for determining Material Subsidaries	https://dcxindia.com/wp-content/uploads/2025/12/Material-Subsidaries.pdf	P1, P4
18.	Dividend Distribution Policy	https://dcxindia.com/wp-content/uploads/2025/12/Dividend-Distribution-Policy.pdf	P1
19.	Policy on Determination of Legitimate Purpose	https://dcxindia.com/wp-content/uploads/2025/12/Policy-on-Determination-of-Legitimate-Purpose.pdf	P1
20.	Policy on Materiality of Related Party Transactions	https://dcxindia.com/wp-content/uploads/2026/05/Policy-on-materiality-of-Related-Party-Transactions.pdf	P1, P7
21.	Anti-Bribery & Anti-Corruption Policy	https://dcxindia.com/wp-content/uploads/2025/12/Anti-Bribery-Anti-Corruption-Policy.pdf	P1
22.	Policy against Sexual Harassment at Workplace	https://dcxindia.com/wp-content/uploads/2025/12/POSH-Policy.pdf	P5
23.	Code of Practices and Procedures for fair disclosure of unpublished price sensitive information	https://dcxindia.com/wp-content/uploads/2025/12/Code-of-practices-and-procedures-for-fair-disclosure-of-unpublished-price-sensitive-information.pdf	P1
24.	Policy on Succession Planning for the Board and Senior Management	ttps://dcxindia.com/wp-content/uploads/2025/03/Policy-on-Succession-Policy-for-the-Board-and-Senior-Management.pdf	P1
25.	Occupational, Health and Safety Policy	Intranet	P3, P6
26.	Environmental, Health and Safety Procedure	Intranet	P2, P6
27.	Store Management Procedure	Intranet	P2, P3
28.	Resource Planning and Control	Intranet	P2,P6

2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the entity has translated its policies into appropriate procedures for effective implementation.
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No, The Company's policies do not currently extend to its value chain partners.
4. Name of the national and international codes/certifications/ labelsj/ 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.	The Company holds the following certifications in place: (Following certifications are applicable to the Aerospace SEZ unit only) • ANSI ESD S20.20-2014 - Protection of Electrical and Electronic Parts, Assemblies and Equipment (Excluding Electrically Initiated Explosive Devices) • AS9100:2016 - Quality Management Systems- Requirement of Aviation, Space and Defence Organization • ISO 9001:2015 - Quality Management Systems • IPC/WHMA-A-620 - Certified IPC trainer • In addition, The Company has initiated the certification process for ISO 14001, ISO 27001 and ISO 45001.
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is committed to the timely renewal and continuous enhancement of its certifications. To achieve this, it establishes defined commitments, objectives, and timelines for certification and recertification activities, enabling systematic monitoring of progress. Regular evaluations, training, and skill development initiatives help employees stay aligned with evolving industry standards and best practices. This structured approach supports ongoing compliance with regulatory requirements while strengthening the Company's operational excellence, credibility, and reliability.

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has established long-term sustainability goals and regularly monitors progress against these objectives. To support their achievement, it has developed a structured action plan covering resource allocation, stakeholder engagement, performance monitoring, and continuous improvement. This approach enables the Company to effectively tract progress, optimize resource utilization, strengthen stakeholder collaboration, and identify opportunities for improvement. Through periodic reviews and ongoing enhancements, the Company remains committed to achieving its sustainability objectives and embedding sustainable practices across its operations.

Governance, leadership and oversight

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

Dr. H S Raghavendra Rao
Chairman and Managing Director

At DCX Systems Limited, I believe that integrating Environmental, Social and Governance (ESG) principles into our business is essential for creating long-term value for all stakeholders. As a responsible company, we are committed to minimising our environmental impact by promoting resource efficiency, renewable energy adoption, and sustainable business practices.

Our employees remain at the heart of our success. We strive to provide a safe inclusive, and supportive workplace that encourage diversity, equal opportunity, continuous learning, and professional growth. We also recognise our responsibility towards that communities we serve and continue to contribute through meaningful social initiatives.

Strong governance is the foundation of our business, we are committed to conducting our operations with integrity, transparency, and accountability while ensuring compliance with applicable laws, regulations, and industry standards. Through regular stakeholder engagement and robust risk management practices, we identify and address emerging ESG-related risks and opportunities.

While evolving regulatory expectations & climate-related challenges continue to shape the business landscape, we remains focused on strengthening our ESG performance through continuous improvement, responsible decision-making, and innovation. Our commitment to sustainable growth enables us to create lasting value for our shareholders, customers, employees and society while contributing to more sustainable future.

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 DIN: 00379249
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, Risk Management Committee oversees sustainability related matters and provides recommendations to the Board to support informed decision making on ESG related issues. The members of Committee are as follows: 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 wasunder 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	P 7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Board of Directors periodically reviews the Company's performance against the policies aligned with the National Guidelines on Responsible Business Conduct (NGRBCs).									The Company addresses operational issues on an ongoing basis as they are identified.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is committed to complying with all applicable legal and statutory requirements across its operations. During the reporting period, no instances of non-compliance were reported, reflecting the Company's strong commitment to regulatory compliance and ethical business practices.																	

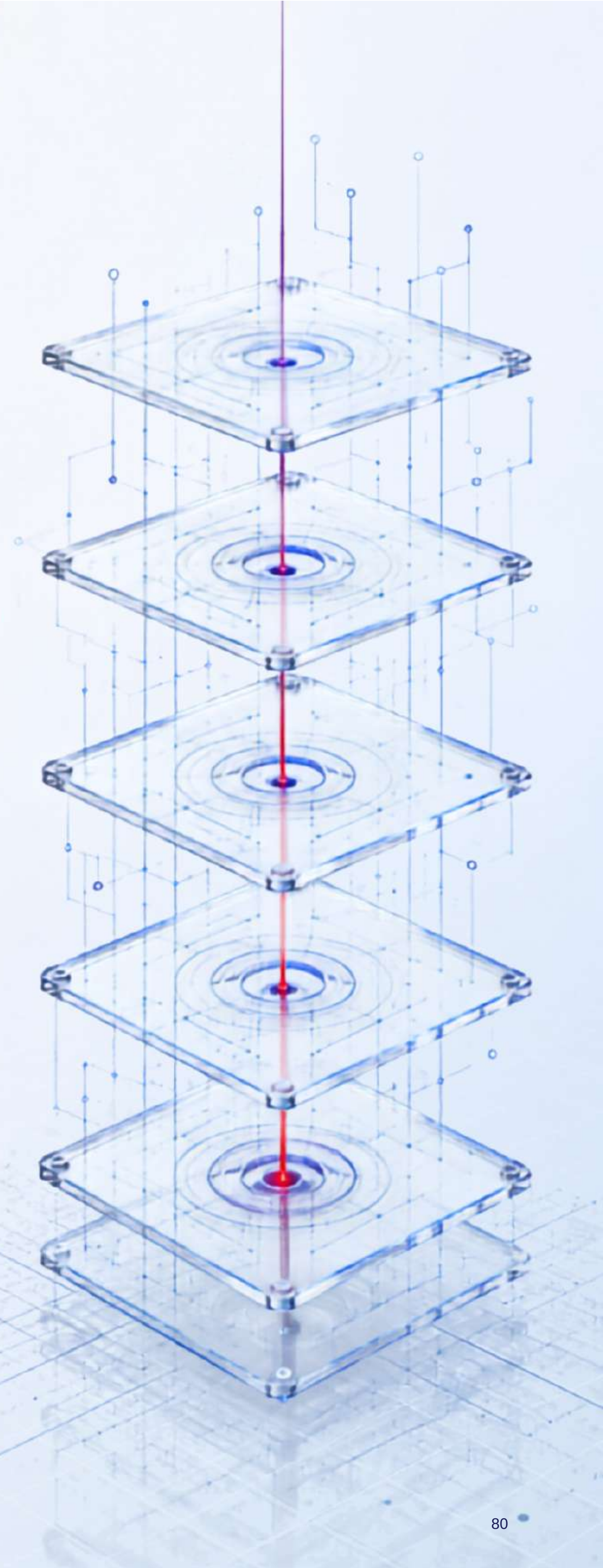
	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes. The Company's policies have been independently assessed by Dhir and Dhir Associates, a leading law firm, to evaluate their effectiveness and implementation. In addition, the policies are periodically reviewed by the respective department and business heads to ensure they remain relevant and effective. Any revisions are subsequently approves by the Board or the Management, as applicable.								

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)	Not Applicable								
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)									
Any other reason (Please specify)									

Principle 01

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



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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	01	Visited the newly commissioned Oversized PCB manufacturing facility at the DTA unit of our wholly owned subsidiary Raneal Advanced Systems Pvt. Ltd., assessing its applications in complex assemblies, and engaged with the company's senior management to review business model, expansion plans and future projects, including successful RDSO accumulation trials of the Long-Range Obstacle Detection System by subsidiary NIART Systems Ltd. and a successful Indian Army demonstration of the Counter Unmanned Aerial System.	100.00
Key Managerial Personnel	03	Safety Trainings	100.00
Employees other than BoD and KMPs	05	Awareness Program (Quality Policy, Safety, Company Policy Procedures) Etc.	100.00
Workers	15	Awareness Program (5S*, On Job Training, Safety, Quality Policy, Company Policy Procedures) Etc.	100.00

*5S stands for Sort, Set in Order, Shine, Standardize, and Sustain. The Company has adopted this methodology to improve efficiency and eliminate waste by maintaining an organized 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	The Directors and Key Managerial Personnel (KMPs) were not subject to any fines, penalties, punishments, compounding fees, settlement amount, or other monetary sanctions under the applicable materiality thresholds during the financial year.				
Settlement					
Compounding Fee					

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been Preferred? (Yes/No)**
Imprisonment	Not Applicable, as no monetary or non-monetary fines, penalties or punishment were imposed on the Company during the reporting period.			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revisionpreferred 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 during the reporting period.	

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.

The Company follows a strict zero-tolerance approach towards bribery and corruption and is fully committed to conducting all its business activities with the highest standards of professionalism and ethical conduct. To uphold integrity across its operations, it has established a robust framework designed to prevent, detect, and address any instances of bribery or corruption.

This commitment is supported by full compliance with all applicable anti-bribery and anti-corruption laws across the jurisdictions in which the Company operates. The Anti-Bribery and Anti-Corruption Policy provides a clear and structured framework aligned with global standards, outlining expected behaviors and responsibilities for all employees. It ensures that ethical conduct remains at the core of everyday decision-making.

The Company considers the prevention of bribery and corruption to be a fundamental pillar of its corporate governance framework, recognizing its critical importance in building trust, maintaining transparency, and safeguarding long-term sustainability.

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 2025-26	FY 2024-25
Directors	Nil, During the reporting year, no disciplinary action was initiated by any law enforcement agency against any of our Directors/KPMs/Employees/Workers in connection with allegations of bribery or corruption.	
KMPs		
Employees		
Workers		

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

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil. No complaints relating to conflicts of interest were received against any of the Directors or Key Managerial Personnel (KMPs) during either of the reporting years.			
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, as no such complaints were reported during the reporting year.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:[5]

	FY 2025-26	FY 2024-25
Number of days of accounts payables	70.25	27.58

* The increase in trade payable days during the year was primarily driven by the extension of supplier credit terms from 30–60 days to 60–90 days pursuant to revised commercial arrangements with vendors.

[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.

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:[6]

Parameter	Metrics	FY 2025-26	FY 2024-25
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	00	00
	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	00	00
	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)	43.23	21.44
	b. Sales (Sales to related parties/Total Sales)	0.13	37.43
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	88.09	81.44
	d. Investments (Investments in related parties/Total Investments made)	34.63	91.90

LEADERSHIP INDICATORS

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

Total number of awareness programs held	Topic/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programs
Nil, No awareness programmes were conducted for the Company's Value Chain Partners during the reporting year.		

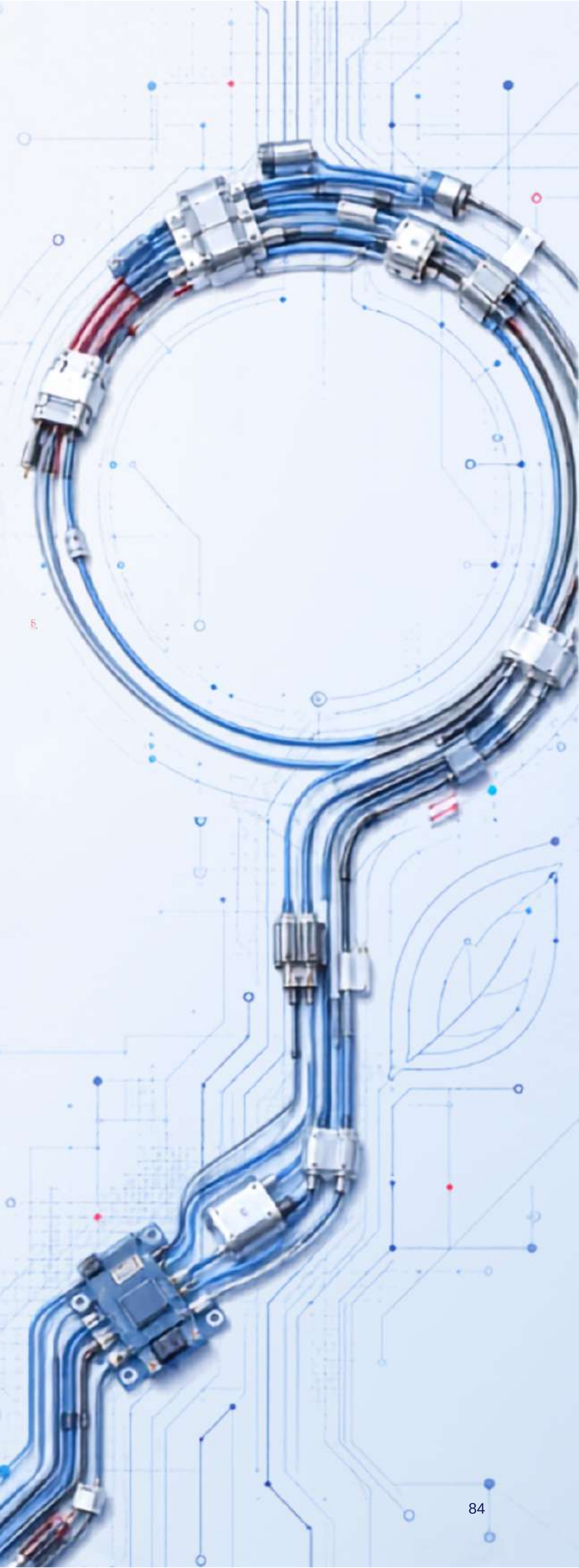
2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If yes, provide details of the same.**

The Company has put in place a well-defined Code of Conduct to effectively manage conflicts of interest involving Directors and Senior Management. This policy sets out clear guidelines and expectations to guide their decisions and actions, ensuring they remain aligned with the Company's ethical standards and overall objectives. The comprehensive employee handbook has been written to provide information on how to identify and handle conflicts of interest.

[6] 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 02

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



PRINCIPLE 2: 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.**

	2025-26	2024-25	Details of Improvements in environmental and social impacts
R&D	During reporting years, the Company maintained a prudent investment approach and did not allocate resources to R&D or capex in specific technologies aimed at improving the environmental and social impacts of its products and processes.		
Capex			

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

DCX Systems Ltd. requires suppliers to comply with the terms and conditions of the purchase order and follow sustainable business practices, including labour, human rights, environmental, and health and safety standards. Sourcing is done systematically. Potential suppliers are first assessed for compatibility with our requirements and then evaluated based on supplier rating criteria before being added to the 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 65% of our inputs being sustainably sourced.

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

DCX systems Ltd has a defined process in place for **reuse, recycle, rethink and reduce** for the products used in its operations.

(a) Metal & Plastic (including packaging): All Metal & plastic waste, including packaging materials, is disposed of through an agency authorized by the Pollution Control Board. This ensures that the disposal process complies with environmental regulations and standards, minimizing the environmental impact of the Company's waste.

(b) E-waste: All E-waste generated by the Company is handed over to an agency authorized by the Pollution Control Board. This ensures that the disposal and recycling of electronic waste is conducted in compliance with environmental regulations and standards.

(c) Hazardous waste: Hazardous waste is carefully categorized and properly disposed of in accordance with both local and national regulations. This meticulous approach ensures that the handling, treatment, and disposal of hazardous materials meet all legal requirements and safety standards

(d) Left over food waste is used for the agriculture land as fertilizers.

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.**

Extended Producer Responsibility (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.
The Company has not conducted any Life Cycle Assessment (LCA) for its products or services during the reporting year.					

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
The Company does not carry out any design activities. It manufactures sub-assembly products as per customer-provided designs.		

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Not Applicable		

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 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed (MT)	Re-Used	Recycled	Safely Disposed (MT)
Plastics (including packaging)	Nil		Nil	Nil		Nil
E-waste						
Other Hazardous Waste						
Other waste						

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
Not Applicable	

Principle 03

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

PRINCIPLE 3: Businesses should respect and promote the well-beingof 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	82	82	100.00	82	100.00	00	0.00	00	0.00	00	0.00
Female	08	08	100.00	08	100.00	08	100.00	00	0.00	00	0.00
Total	**90**	**90**	**100.00**	**90**	**100.00**	**08**	**100.00**	**00**	**0.00**	**00**	**0.00**
Other than Permanent Employees											
Male	00	00	0.00	00	0.00	00	0.00	00	0.00	00	0.00
Female	00	00	0.00	00	0.00	00	0.00	00	0.00	00	0.00
Total	**00**	**00**	**0.00**	**00**	**0.00**	**00**	**0.00**	**00**	**0.00**	**00**	**0.00**

*Percentage of (D) – Maternity benefit is calculated as 100% as per FAQs on BRSR issued by NSE dated 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	50	50	100.00	50	100.00	00	0.00	00	0.00	00	0.00
Female	05	05	100.00	05	100.00	05	100.00	00	0.00	00	0.00
Total	**55**	**55**	**100.00**	**55**	**100.00**	**05**	**100.00**	**00**	**0.00**	**00**	**0.00**
Other than Permanent workers											
Male	83	83	100.00	83	100.00	00	0.00	00	0.00	00	0.00
Female	04	04	100.00	04	100.00	04	100.00	00	0.00	00	0.00
Total	**87**	**87**	**100.00**	**87**	**100.00**	**04**	**100.00**	**00**	**0.00**	**00**	**0.00**

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

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**[7]

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.14	0.07

[7] 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 2025-26			FY 2024-25		
	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 benefits are provided to eligible employee and 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, The Company ensures that its facilities are accessible to employees and workers with disabilities by complying with the requirements of the Rights of Persons with Disabilities Act, 2016. This includes providing ramps, designated work areas, and accessible restroom facilities to support an inclusive and comfortable working environment.

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 dedicated policy in this area but is actively taking steps to ensure equal opportunities for all employees. It recognizes the importance of building an inclusive workplace and is working towards creating an environment where everyone has fair access to opportunities. In line with this, The Company is in the process of 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.

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The Company has established a grievance redressal mechanism for employees and workers through a structured escalation matrix. In the first instance, grievances may be raised with the Reporting Manager as the Single Point of Contact (SPOC). If the grievance remains unresolved, it may be escalated to the Dept. Head as the second SPOC, and thereafter to the HR Department as the third SPOC. Employees and workers may also reach out to hr@dcxindia.com for further assistance.
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 2025-26			FY 2024-25		
	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	The Company's employees and workers were not 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 2025-26					FY 2024-25				
	Total	On Health and Safety measures		On Skill upgradation		Total	On Health and Safety measures		On Skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	82	82	100.00	82	100.00	77	77	100.00	00	0.00
Female	08	08	100.00	08	100.00	11	11	100.00	00	0.00
Total	**90**	**90**	**100.00**	**90**	**100.00**	**88**	**88**	**100.00**	**00**	**0.00**
Workers										
Male	50	50	100.00	50	100.00	52	52	100.00	52	100.00
Female	05	05	100.00	05	100.00	05	05	100.00	05	100.00
Total	**55**	**55**	**100.00**	**55**	**100.00**	**57**	**57**	**100.00**	**57**	**100.00**

*The Numerical are basis all permanent employees and workers and excludes other than permanent workers.

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	82	82	100.00	77	77	100.00
Female	08	08	100.00	11	11	100.00
Total	**90**	**90**	**100.00**	**88**	**88**	**100.00**
Workers						
Male	50	50	100.00	52	52	100.00
Female	05	05	100.00	05	05	100.00
Total	**55**	**55**	**100.00**	**57**	**57**	**100.00**

*The figures reported are based on all permanent employees and workers and 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 has a robust occupational health and safety management system in place, covering all key aspects of workplace safety. This includes identifying and assessing risks, developing and implementing relevant policies and procedures, conducting regular training and awareness programs, and establishing clear processes for incident reporting and investigation.

The system is designed to create and maintain a safe and healthy work environment, protect employee well-being, and ensure compliance with applicable health and safety standards. It also emphasizes continuous improvement, enabling the Company to consistently strengthen its 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 follows a structured approach to identify work related hazards and assess risks on both a routine and non-routine basis. Regular safety reviews and risk assessments are conducted across operations, particularly in areas involving the handling of hazardous materials, to identify potential risks and implement appropriate control measures.

Hazardous materials are stored in designated areas with proper labelling and access to Material Safety Data Sheets (MSDS) to support safe handling and management. In addition, employees are provided with suitable Personal Protective Equipment (PPE), including safety glasses, gloves, masks, safety shoes, aprons, and ESD slippers, based on the nature of their work. These measures help minimize workplace risks and promote a safe working environment.

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 has processes in place that enable employees to report work related hazards and unsafe conditions. Appropriate safety measures and reporting mechanisms are followed to ensure that identified hazards are addressed in a timely manner. The Company is also working towards the adoption of ISO 14001 and ISO 45001 standards, which will further strengthen its occupational health and safety framework, particularly for activities such as soldering, potting, and conformal coating.

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 provides free health check-ups to support their overall physical and mental well-being, enabling them to perform effectively. Moreover, the Company encourages its vendors to adopt similar health and safety practices to ensure a stable and reliable supply chain with minimal disruptions. It has also strengthened its transportation and security arrangements to enhance the employees and workers safety and convenience.

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

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	**Employees**	No safety related incidents occurred during the reporting period.	No safety related incidents occurred during the reporting period.
	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 strong emphasis on employee health and well-being, and regularly conducts first aid and fire safety training programs. It also ensures that fire prevention systems are properly maintained, with fire extinguishers serviced on time, emergency evacuation routes clearly displayed, and mock drills conducted at regular intervals. In addition, health and safety posters are prominently displayed across work areas, serving as constant visual reminders for employees to follow established safety practices and protocols.

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

	FY 2025-26			FY 2024-25		
	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	The company received 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	Nil
Working Conditions	Nil

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.

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 currently does not have a life insurance or compensation policy in place. However, it continues to evaluate measures to provide appropriate support to employees and their families in such situations.

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 ensures timely payment of contractor invoices through a structured verification process. Before processing any payment, it verifies that all applicable statutory dues have been deposited with the relevant authorities. This is done by reviewing the supporting challans or remittance proofs along with the invoice, ensuring accuracy and compliance.

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 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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	00	00	00	00
Workers	00	00	00	00

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)**

Formal transition assistance programmes for continued employability or career transitions arising from retirement or termination of employment are currently not in place.

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 conditionsof value chain partners.**

Not Applicable

Principle 04

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

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders

ESSENTIAL INDICATORS

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

   The Company regular engagement with its key stakeholders, including investors, customers, suppliers, and employees. Through ongoing interactions and communication, the Company seeks to understand stakeholder expectations and strengthen its relationships with them. In addition, dedicated committees such as the Risk Management Committee and the Corporate Social Responsibility (CSR) Committee oversee matters relating to economic, environmental, and social performance, while monitoring progress and ensuring appropriate reporting and governance.

2. **List stakeholder groups identified as key for your entity and the frequency ofengagement 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
Employees	No	E-Mail, Notice Board, Workshops, One-on-One interactions	Regular	Compensation structure, providing a safety culture and inculcating healthy and safe work condition among employees, ongoing desire for more flexible working hours, Improving Diversity and Inclusion, Incidents and grievance redressal, Information on Company activities.
Shareholders	No	General Meeting, E-Mail, Annually/As and Website, Newspaper when required Publications, Annual Report	Annually/As and when required	Financial and non-financial (ESG) performance of the Company, shareholder return, Effective Corporate Governance.
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 and Contractors	No	Suppliers Meetings, E-Mail	Frequent	Fair and accountable supply chain practices.
Investors and Shareholders	No	Investor Meet, E-mail, Website	Periodic Quarterly	Financial Performance of the Company.
Communities	Yes	In person meeting, E-Mails	Need Based	The Company interacts with the Communities through its CSR Activities.
Government and Regulatory authorities	No	E-Mail, Letters, Meeting	Need Based	To ensure compliance of applicable statutory laws environmental and social impact of business.

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 maintains regular and meaningful engagement with its key stakeholders, including investors, customers, suppliers, and employees. The management recognizes the importance of building strong, long-term relationships with these groups and values their inputs. To strengthen governance and effectively address relevant matters, the Company has established dedicated committees for Risk Management and Corporate Social Responsibility (CSR). These committees regularly update the Board of Directors on the progress of initiatives related to economic, environmental, and social aspects, ensuring transparency and accountability.

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 places strong emphasis on maintaining consistent and forward-looking engagement with its key stakeholders. This active involvement enables the Company to effectively design and implement strategies related to Environmental, Social, and Governance (ESG) initiatives, while ensuring transparency in its disclosures. In line with applicable regulations and insights gathered through stakeholder interactions, the Company periodically reviews and updates its policies wherever necessary.

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 encourage meaningful engagement. This includes mechanisms such as feedback systems, Code of Conduct orientation, and regular investor interactions, ensuring open dialogue and continuous connection.

Principle 05

Businesses should respect and promote human rights

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIALS 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 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	82	82	100.00	88	88	100.00
Other than Permanent	08	08	100.00	00	00	0.00
Total Employees	**90**	**90**	**100.00**	**88**	**88**	**100.00**
Workers						
Permanent	55	55	100.00	57	57	100.00
Other than permanent	87	87	100.00	25	25	100.00
Total Workers	**142**	**142**	**100.00**	**82**	**82**	**100.00**

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

Category	FY 2025-26					FY 2024-25				
	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	90	00	0.00	90	100.00	88	00	0.00	88	100.00
Male	82	00	0.00	82	100.00	77	00	0.00	77	100.00
Female	08	00	0.00	08	100.00	11	00	0.00	11	100.00
Other than Permanent	00	00	0.00	00	0.00	00	00	0.00	00	0.00
Male	00	00	0.00	00	0.00	00	00	0.00	00	0.00
Female	00	00	0.00	00	0.00	00	00	0.00	00	0.00
Workers										
Permanent	55	00	0.00	55	100.00	57	00	0.00	57	100.00
Male	50	00	0.00	50	100.00	52	00	0.00	52	100.00
Female	05	00	0.00	05	100.00	05	00	0.00	05	100.00
Other than Permanent	87	00	0.00	87	100.00	25	00	0.00	25	100.00
Male	83	00	0.00	83	100.00	24	00	0.00	24	100.00
Female	04	00	0.00	04	100.00	01	00	0.00	01	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 (Rs. In crore /Yearly)	Number	Median remuneration/ Salary/ Wages of respective category (Rs. In crore / Yearly)
Board of Directors (BoD)	04	53,53,250	Nil	Nil
Key Managerial Personnel	07	24,30,021	Nil	Nil
Employees other than BoD and KMP	77	5,77,858	13	2,79,756
Workers	52	6,11,843	5	4,04,020

*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:[8]

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	4.45	4.38

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 designated the Head of Human Resources (HR) to oversee human rights-related matters within the organization. This responsibility spans key HR functions such as recruitment, employee relations, and training and development. The Head of HR plays an important role in ensuring effective workforce management while addressing employee needs and concerns in a fair and structured manner.

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

The Company considers respect for human rights to be a fundamental part of its core values. It is committed to promoting and protecting these rights across its operations and employment practices, guided by principles of fairness, integrity, and ethical conduct. The Company places strong emphasis on creating a safe, inclusive, and respectful work environment. Where every individual feels secure and valued. To support this commitment, a Vigil Mechanism has also been established, allowing stakeholders to confidentially report any concerns related to unethical or inappropriate behaviour.

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

	2025-26			2024-25		
	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	Nil. No complaints were raised with regards to the human rights issues in both reporting years.					
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other Human Rights related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:[9]

	2025-26	2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

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

The Company is committed to providing equal opportunities for all and maintains a zero tolerance stance towards any form of discrimination or harassment. It strictly prohibits unfair treatment based on factors such as race, gender, nationality, ethnicity, religion, age, disability, sexual orientation, gender identity, medical condition, language, or any other criteria protected under applicable laws. To reinforce this commitment, the Company has implemented Key policies, including the Prevention of Sexual Harassment (POSH) Policy, the Business Conduct and Ethics Policy, and

[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.

[9] 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.

a Vigil Mechanism. These frameworks are designed to promote a workplace culture that values diversity, inclusion, and mutual respect. Through these efforts, the Company aims to create an open and inclusive environment where individuals from all backgrounds feel respected and supported, with a clear emphasis on maintaining a workplace free from discrimination in any form.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No) –**

Yes, human rights requirements have been incorporated into the Company's business agreements and contracts, wherever applicable. The Company recognizes the importance of embedding these considerations into its business relationships, ensuring that its commitments to ethical and responsible practices are upheld across all engagements.

10. **Assessments for the year:**

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

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 during this financial year within the Company, This reflects that there have been no known instances or concerns of human rights violations within the organisation.

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

Human rights due diligence processes are presently not in place. The Company may evaluate the relevance and feasibility of implementing such processes in the coming years.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirement 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, and has undertaken measures to make its facilities accessible to differently abled employees, workers, and visitors. These measures include the provision of ramps, accessible work areas, and appropriate restroom facilities to promote 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	
Others – please specify	

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

Principle 06

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

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Gigajoules) and energy intensity, in the following format:[10]

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
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)	2,042.82	1,310.83
Total fuel consumption (E)	513.55	304.92
Energy consumption through other sources (F)		-
Total Energy consumption from non-renewable sources (D+E+F)	**2,556.37**	**1,615.75**
Total energy consumed (A+B+C+D+E+F)	**2,556.37**	**1,615.75**
Energy intensity per rupee of turnover- GJ/Rupee *(Total energy consumption/ Revenue from Operations)*	0.00000035	0.00000015
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[11] GJ/USD (*Total energy consumed / Revenue from operations adjusted for PPP*)	0.0000070	0.0000030
Energy intensity in terms of physical output-[12]	**-**	**-**
Energy Intensity per Employee - GJ/Employee	**28.40**	**18.36**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No independent assessments or evaluations have been conducted by an external agency. However, all necessary statutory inspections, internal inspections, and audits are carried out 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

No, the facilities of DCX Systems Ltd. have not been identified as designated consumers under the Perform, Achieve, and Trade (PAT) Scheme of the Government of India.

[10] 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.
[11] 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.
[12] 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:**[13]

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater -	-	-
(iii) Third party water	3,221.72	1,925.10
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal *(in kilolitres) (i + ii + iii + iv + v)*	**3,221.72**	**1,925.10**
Total volume of water consumption (*in kilolitres*)	**855.60**	**232.10**
Water intensity per rupee of turnover *(Water consumed / Revenue from operations)* – KL/Rupee	0.00000012	0.0000000021
Water Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[14] KL/USD *(Total water consumption / Revenue from operations adjusted for PPP)*	0.0000024	0.00000043
Water intensity in terms of physical output[15]	**-**	**-**
Water intensity per Employee- KL/Employee	**9.51**	**2.64**

Note: For both financial years, water consumption has been calculated as the difference between water withdrawal and water discharge.

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.

4. **Provide the following details related to water discharged**

Parameter	FY 2025-26	FY 2024-25
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 Sea water	-	-
- 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	2,366.12	1,693.00
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**2,366.12**	**1,693.00**

[13] 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.
[14] 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.
[15] 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.

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.

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

The Company has not adopted Zero Liquid Discharge (ZLD) practices at present. Nevertheless, as part of its commitment to responsible water stewardship, wastewater generated from operations is reused for agricultural and farming activities. This practice facilitates the productive utilization of treated wastewater, conserves freshwater resources, and contributes to minimizing the Company's environmental footprint.

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

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	Mg/m3	26.55	Stack emission monitoring was not conducted for the reporting period.
SOx	Mg/m3	19.05	
Particulate matter (PM)	Mg/m3	46.20	
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.-

Yes, SLN Testing Laboratory Private Limited.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**[16]

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	49.29	45.08
Total Scope 2 emissions[17] (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	402.89	264.72
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 CO2 equivalent/rupees	0.000000061	0.000000028
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP)[18] (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 equivalent/USD	0.00000124	0.00000058
Total Scope 1 and Scope 2 emissions intensity in terms of physical output[19]		-	-
Total Scope 1 and Scope 2 emissions intensity per Employee	**Metric tonnes of CO2 equivalent/Employee**	**5.02**	**3.52**

[16] 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.

[17] The above calculations as per the updated emission factors provided in the CO_2 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.

[18] 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.

[19] 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.

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.

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

   Yes, the Company has implemented various initiatives to reduce greenhouse gas (GHG) emissions and improve energy efficiency across its operations. These measures include promoting the judicious use of air-conditioning systems, ensuring regulatory compliance and certification of diesel generator (DG) sets, and replacing conventional fluorescent lighting with energy-efficient LED fixtures. Additionally, non-essential electrical and electronic equipment are switched off after working hours to avoid unnecessary energy consumption. Through these initiatives, the Company seeks to optimize energy usage, reduce its carbon footprint, and contribute to environmental sustainability.

9. **Provide details related to waste management by the entity, in the following format:[20]**

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste *(A)*	0.70	0.70
E-waste *(B)*	1.01	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)*	-	-
Lead and Non-lead material	0.01	1.00
Other Non-hazardous waste generated (H). Please specify, if any.		
Carton Box Waste	7.06	2.13
Pallet Wood Waste	1.10	0.97
Metal	0.01	0.83
Other General Scrap/Food waste	0.02	0.01
***Total** (A+B + C + D + E + F + G + H)*	**9.90**	**4.71**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)- MT/Rupee	0.0000000013	0.00000000042
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) MT/USD (Total waste generated / Revenue from operations adjusted for PPP)[21]	0.000000027	0.0000000088
Waste intensity in terms of physical output[22] -	**-**	**-**
Waste intensity per Employee MT/ employee	**0.11**	**0.05**

[20] 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.

[21] 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.

[22] 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.

Parameter	FY 2025-26	FY 2024-25
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.
(ii) Re-used	0.01	
(iii) Other recovery operations	-	
Total	**0.01**	
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- Through third- party vendors	9.90	4.71
Total	**9.90**	**4.71**

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.

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 minimizing waste generation through responsible resource management and adherence to the principles of the 3R approach—Reduce, Reuse, and Recycle. The Company actively works to limit the generation of hazardous waste by optimizing processes and promoting environmentally responsible practices. Clearly labelled waste collection bins are provided throughout the facility to ensure effective segregation of different waste streams at the source. Segregated waste is safely stored, transported, and disposed of through vendors authorized by the Pollution Control Board, in compliance with applicable environmental regulations.

To ensure effective liquid waste management, secondary containment systems are installed in areas where spills may occur, and spill response kits are readily available to address accidental releases promptly and mitigate environmental impact. Non-hazardous waste streams, including paper, wood, and electronic waste, are managed with a strong emphasis on reuse, recycling, and responsible disposal.

The Company continually strives to reduce or eliminate the use of hazardous and toxic substances in its operations and products wherever feasible. By prioritizing waste reduction, material recovery, reuse, and recycling initiatives, DCX seeks to minimize the quantity of waste requiring final disposal while supporting environmental sustainability and regulatory compliance.

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.
Not Applicable			

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, as no Environmental Impact Assessment (EIA) was conducted for any projects during the current financial year.					

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:**

S. No.	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 did not report any material non-compliances in the reporting period.				

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- NA

(ii) Nature of operations- NA

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

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)	Not Applicable	
(i) Surface water		
(ii) Groundwater		
(iii) Third-party water		
(iv) Seawater / desalinated water		
(v) Others		
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)	Not Applicable	
(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		
(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- No external review or independent analysis has been conducted to evaluate our operations, performance, or compliance with applicable standards and regulations.

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3* emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (Optional) – the relevant metric may be selected by the entity		-	-

*Scope 3 emissions relating to Category 5 – Waste Generated in Operations could not be calculated, as the definitive disposal, reclamation, or end-of-life treatment methods for the waste are unknown. Since the waste is handed over to third-party agencies for disposal, no assumptions have been made regarding the subsequent treatment processes, and the associated emissions have therefore not been quantified.

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.

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 consciously avoids operating in environmentally fragile or ecologically sensitive areas, reflecting its strong commitment to responsible and sustainable business practices. This strategic approach is rooted in the Company's dedication to environmental stewardship and the protection of delicate ecosystems. By selecting operational locations that are not situated within ecologically vulnerable zones, the Company actively minimizes its environmental footprint and supports the preservation 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
1.	**Water Conservation**	Aerator filters have been installed across all taps. Each press now dispenses 550 ml of water, compared to the previous 1,150 ml — achieving a saving of approximately 600 ml per use.	The initiative has led to a 50–60% reduction in water consumption, without compromising the functional efficiency of the taps.
2.	**Energy Conservation/ Efficiency Measures**	All conventional lighting fixtures in the factory have been replaced with energy-efficient LED lighting. Additionally, the company has undertaken a tree plantation drive, planting 50 trees to enhance carbon sequestration in the surrounding environment.	Achieved an annual reduction of approximately 1,000 kWh in electricity consumption, resulting in a reduction of 1.05 tonnes of CO_2 emissions per year.

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

Yes, the Company has established a comprehensive Business Continuity and Disaster Management Plan (BCP) applicable to all units of DCX Systems Ltd. to ensure the continuity of critical operations during and after disruptive events. The plan addresses both natural and man-made emergencies, including fire, flood, earthquake, chemical spills, power outages, cyber-attacks, and other unforeseen incidents. Its objective is to minimize operational disruption, protect employees and assets, and ensure the timely recovery of essential business functions.

The BCP identifies critical operational processes such as testing, potting, and the storage and dispatch of finished goods. A structured risk assessment framework is used to evaluate potential disaster scenarios based on their likelihood and impact, with appropriate mitigation measures defined for each risk. Recovery strategies include the use of alternate facilities, engagement of qualified third-party laboratories for testing support, and secure remote access to critical systems through VPN connectivity. The Company aims to resume key business activities within two weeks of a disruption by utilizing suitable alternative arrangements where necessary.

The plan is periodically reviewed and updated by the designated BCP management team to ensure its effectiveness and relevance. Regular training programs, awareness sessions, and mock drills are conducted to strengthen employee preparedness and response capabilities. In addition, critical business data is routinely backed up on cloud-based platforms and external storage media, while emergency contact lists, communication protocols, and response resources are maintained to facilitate effective crisis management and the rapid restoration of operations.

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?**

   The Company has not identified any significant adverse environmental impacts arising from its value chain during the reporting period.

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

   DCX Ltd. engages solely with value chain partners who demonstrate compliance with all applicable statutory and regulatory requirements.

8. **How many Green Credits have been generated or procured?**[23]

   a) **By the listed entity-** Nil

   b) **By the top ten (in terms of value of purchases and sales, respectively) value chain partners-** Nil

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

Principle 07

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

PRINCIPLE 7: 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 only 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 anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective active taken
During the reporting period, the Company was not subject to any adverse orders from regulatory authorities or any instances of anti-competitive conduct. So, no corrective actions were necessary.		

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
			Nil		

Principle 08

Businesses should promote inclusive growth and equitable development.

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					

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)	5 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 mechanisms for receiving and addressing grievances from stakeholder groups. A Register of Grievances is maintained by the Human Resources (HR) department to record and address concerns raised by community members and other stakeholders, in addition, the Company has adopted a Whistle blower Policy that provides employees, vendors, and external stakeholders with a formal channel to report grievances or unethical conduct in a confidential manner. These mechanisms reflect the Company's commitment towards the transparency, accountability and stakeholder engagement. The Whistle blower Policy is available 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:[24]**

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	**0.88**	**0.02**
Directly from within India	**53.38**	**26.09**

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 cost[25]**

Location	FY 2025-26	FY 2024-25
Rural	Nil	Nil
Semi-Urban	Nil	Nil
Urban	100.00	100.00
Metropolitan	Nil	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	

[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.

[25] 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)**

Procurement decisions are guided by factors such as quality, cost, technical requirements, and supplier capabilities, as specified by OEMs. As the Company operates in the defence and aerospace sector, sourcing is carried out through preapproved supplier lists provided by OEMs. Consequently, a separate preferential Procurement Policy for suppliers from marginalized or vulnerable groups is not presently in place.

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

Not applicable

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

Not applicable

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 is a build to print manufacturer and system integrator and does not own any intellectual property rights (IPR) in the product it manufactures. Its main activity is the production of electromechanical assemblies to Original Equipment Manufacturers (OEMs) specifications for its customers, adding value to them.				

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 Sivarathreeswara Mahavidyapeetha	The Company's CSR initiatives were undertaken with the objective of creating positive social impact and supporting underserved communities across key focus areas such as education, hunger alleviation, women's empowerment, child welfare, and support for senior citizens.	The Company's CSR initiatives are a reflection of its commitment to build a better and sustainable society, during the year CSR funds were used to support children's education, to promote opportunities for higher education to differently able children and to aid Vrudhashramas for underprivileged Individuals. These initiatives have positively impacted a significant number of people, including vulnerable and marginalized groups, though the exact number of beneficiaries cannot be quantified.
2.	Sri Vyasateertha Vidyapeeta Trust		
3.	Shri Soda Vadiraja Mutt Education Trust		
4.	Keshavlal V. Bodani Education Foundation		

DCX

Principle 09

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

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 accordance with AS 9100 standards. Customer feedback and complaints, if any, are addressed through established procedures to ensure timely and effective resolution.

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	100.00
Safe and responsible usage	100.00
Recycling and/or safe disposal	100.00

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

	FY 2025-26			FY 2024-25		
	Received during the Year	Pending resolution at end of year	Remarks	Received during the Year	Pending resolution at end of year	Remarks
Data Privacy	Nil. No such complaints were received during either of the reporting year.					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

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

	Number	Reasons for recall
Voluntary recalls	Nil	None
Forced recalls	Nil	None

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 recognised the importance of protecting its information and digital assets. To strengthen cyber security, it has implemented a Cyber Security Policy that outlines the measures to safeguard sensitive information, prevent unauthorized access, and manage cyber security risks across the organization. The policy is accessible through the Company's internal portal and serves as a guiding framework for employees to ensure secure information handling and support the continuity of business operations.

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 customers:**[26] 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.**
   The Company supplies its products directly to Original Equipment Manufacturers (OEMs), who are responsible for integrating them into the final products delivered to end customers. As a result, the Company does not have direct interaction with end users and therefore has limited opportunities to communicate with them regarding the safe 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 measures to address potential disruptions to critical services and minimize their impact on customers. It follows a proactive approach to identifying and resolving operational issues at an early stage while working closely with customers to ensure timely and effective solutions. The Company also keeps stakeholders informed through its regularly updated website, which serves as a platform for sharing important announcements, operational updates, and other relevant information.
4. **(Yes/No/Not Applicable) Does the entity display product information on the product over and above what is mandated as per local laws? 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)**
   Considering the confidentiality requirements associated with the defence and aviation sectors, which are closely linked to national security, the Company restricts the disclosure of product information to the extent required under applicable laws and regulations.

[26] 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 is committed to maintaining the highest standards of corporate governance by upholding the principles of integrity, transparency, accountability, fairness, and ethical business conduct. Its governance framework is designed to promote responsible decision-making, safeguard stakeholder interests, and ensure compliance with all applicable legal and regulatory requirements.

The Company's governance practices are guided by a robust Code of Conduct applicable to its Directors and Senior Management, which establishes clear standards of ethical behaviour and includes appropriate mechanisms for reporting concerns regarding non-compliance. The Company is committed to timely, accurate, and transparent disclosure of its financial performance, operational results, and other material information, in accordance with applicable laws and regulatory requirements. Through these practices, the Company seeks to foster trust, enhance long-term stakeholder value, and uphold the highest standards of corporate responsibility.

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, 2026, 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, 2026, 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, 2026			Directorship in other listed entity (Category of Directorship)
		Number of Board Meetings		14th AGM Held on 26.09.2025	Director-ship(s)	Committee Member-ships	Committee Chairman-ships	
		Held	Attended					
Dr. H S Raghavendra Rao (DIN: 00379249)	Executive	9	9	Yes	2	2	-	-
*Mr. Gopinath Vedaprakash (DIN: 11241863)	Executive	9	4	Yes	1	-	-	-
Mr. Ramegowda Shiva Kumar (DIN: 08678987)	Executive	9	9	Yes	2	-	-	-
Mrs. Lathika Siddharth Pai (DIN: 00420102)	Independent (ID)	9	9	Yes	3	-	-	1
Mr. Kalyanasundaram	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, 2026			Directorship in other listed entity (Category of Directorship)
		Number of Board Meetings		14th AGM Held on 26.09.2025	Director-ship(s)	Committee Member-ships	Committee Chairman-ships	
		Held	Attended					
Chandrasekaran (DIN: 00936289)								
Mr. Prakash Nagabushan (DIN: 00998992)	Independent (ID)	9	9	Yes	2	2	-	-
#Mr. Diwakaraiah Neriga Jagannatheswar (DIN: 00427317)	Executive	9	5	NA	-	-	-	-

* Mr. Gopinath Vedaprakash, appointed as an Additional Whole-time Director with effect from September 01, 2025, and regularized as Whole-time Director in 14th Annual General Meeting held on September 26, 2025.

\# Mr. Diwakaraiah Neriga Jagannatheswar resigned as an Executive Director with effect from August 31, 2025.

Notes:

I. Excludes Directorship in Private Limited companies, Foreign Companies and Section 8 Companies.

II. 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.

III. The Company's shares are listed with BSE Ltd (BSE) & National Stock Exchange of India Ltd (NSE).

IV. None of the Directors are inter-se related to each other.

V. Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2026, are given below:

Name of the Director	Number of Equity Shares	% of Holding
Mr. Prakash Nagabushan (Independent Director)	4,500	0.00

Details of equity shares of the Company held by the relative of Non-Executive Directors as of March 31, 2026, are given below:

Name of the Director	Relationship with Non-Executive Director	Number of Equity Shares	% of Holding
Mr. Siddharth Ammembal Pai	Spouse of Non-Executive, Independent Director, Mrs. Lathika Siddharth Pai	49,990	0.04
Ms. Sandhya Prakash	Spouse of Non-Executive, Independent Director, Mr. Prakash Nagabushan	1,517	0.00

VI. 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. Gopinath Vedaprakash (DIN: 11241863)	√	√	√	-	√	√	-	√
Mr. Ramegowda Shiva Kumar (DIN: 08678987)	√	√	√	√	√	√	√	√
Mr. Kalyanasundaram Chandrasekaran (DIN: 00936289)	√	√	-	√	√	-	√	√
Mrs. Lathika Siddharth Pai (DIN: 00420102)	√	√	√	-	√	-	√	√
Mr. Prakash Nagabushan (DIN: 00998992)	√	√	√	-	√	√	√	-
#Mr. Diwakaraiah Neriga Jagannatheswar (DIN: 00427317)	√	√	-	√	-	-	√	√

During the period under review:

* Mr. Gopinath Vedaprakash, appointed as an Additional Whole-time Director with effect from September 01, 2025, and regularized as Whole-time Director in 14th Annual General Meeting held on September 26, 2025.

Mr. Diwakaraiah Neriga Jagannatheswar resigned as an Executive Director with effect from August 31, 2025.

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 lifetime 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 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 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 2025-26, the Board Meetings of the Company were held **9 (Nine)** times, i.e. April 17, 2025, May 12, 2025, May 27, 2025, August 07, 2025, August 18, 2025, September 02, 2025, November 12, 2025, February 12, 2026 & March 30, 2026.

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 program for all Independent Directors was 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, and 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 27, 2026, 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 **08 (Eight)** times during financial year 2025-26 i.e., on April 17, 2025, May 12, 2025, May 27, 2025, August 07, 2025, September 02, 2025, November 12, 2025, February 12, 2026 & March 30, 2026.

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 2025-26 are as below:

S. No.	Name of the Member	Designation	Category	No. of Meetings attended
1	Mr. Kalyanasundaram Chandrasekaran	Chairman and Member	Independent Director	08
2	Mr. Prakash Nagabushan	Member	Independent Director	08
3	Dr. H S Raghavendra Rao	Member	Managing Director	08

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 2025-26, **3 (Three)** meetings of the Committee were held on August 07, 2025, August 18, 2025, and September 02, 2025.

The composition of the Nomination and Remuneration Committee and attendance of each member at the meetings of the Committee held during the financial year 2025-26 are as below:

S. 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	3
3	Mrs. Lathika Siddharth Pai	Member	Independent Director	3

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 & 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. Independent Directors are entitled to only sitting fees and are not subject to any notice period and severance fees. There were 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 2025-26:

Executive Directors:

(₹ in Mn)

S. No.	Name of the Director	Salary	Sitting fees	Commission paid/ payable	Total
1	Dr. H S Raghavendra Rao	24.00	-	-	24.00
2	*Mr. Gopinath Vedaprakash	4.2	-	-	4.2
3	Mr. Ramegowda Shiva Kumar	6.50	-	-	6.50
4	#Mr. Diwakaraiah Neriga Jagannatheswar	2.5	-	-	2.5

* Mr. Gopinath Vedaprakash, appointed as an Additional Whole-time Director with effect from September 01, 2025, and he regularized as Whole-time Director in 14th Annual General Meeting held on September 26, 2025.

\# Mr. Diwakaraiah Neriga Jagannatheswar resigned as an Executive Director with effect from August 31, 2025.

Non-Executive Independent Directors:

(₹ in Mn)

S. No.	Name of the Director	Salary	Sitting fees	Commission paid/ payable	Total
1	Mr. Kalyanasundaram Chandrasekaran	-	0.4	-	0.4
2	Mr. Prakash Nagabushan	-	0.4	-	0.4
3	Mrs. Lathika Siddharth Pai	-	0.4	-	0.4

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 were held on May 27, 2025, August 07, 2025, November 12, 2025, and February 12, 2026.

The composition of the Stakeholders Relationship Committee and attendance of each member at the Committee meetings held during the financial year 2025-26 are as below:

S. 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	4
3	Dr. H S Raghavendra Rao	Member	Managing Director	4

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 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 2025-26 are as follows:

Pending as of April 01, 2025	Received during the year	Disposed of during the year	Pending as of March 31, 2026
Nil			

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 07, 2025, and February 12, 2026.

The composition of the Risk Management Committee and attendance of each member at the Committee meetings held during the financial year 2025-26 are as below:

S. 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

Terms of reference:

The Risk Management Committee shall be responsible for, among other things, the following:

1. To formulate a detailed risk management policy which shall include:
   a. 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.
   b. Measures for risk mitigation including systems and processes for internal control of identified risks.
   c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. 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;
4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7. 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 12, 2026.

The composition of the Corporate Social Responsibility Committee and attendance of each member at the Committee meeting held during the financial year 2025-26 are as below:

S. 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

Terms of reference:

a. 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;

b. review and recommend the amount of expenditure to be incurred on the CSR activities referred to in clause a;

c. monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

d. 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 subsidiaries as on March 31, 2026, as defined under the Regulation 16(1)(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Material Subsidiaries:

S. 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	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, 2026, and the changes during the financial year in the senior management team are as below:

S. No.	Name	Designation
1	Mr. Shiva Kumara R	Executive Director & Vice President
2	*CA Prasanna Kumar T S	Chief Financial Officer
3	#Mr. Diwakaraiah Neriga Jagannatheswar	Executive Director & Chief Financial Officer
4	Mr. Gurumurthy Hegde	Company Secretary, Legal & Compliance Officer
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	Sr. Manager - Quality

* CA Prasanna Kumar T S was appointed as Chief Financial Officer with effect from September 02, 2025.

Mr. Diwakaraiah Neriga Jagannatheswar resigned as Executive Director and Chief Financial Officer with effect from August 31, 2025.

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
12th	25.09.2023	Virtually at Registered Office Address at Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadadasanahalli, 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.
13th	26.09.2024	Virtually at Registered Office Address at Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadadasanahalli, 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.
14th	26.09.2025	Virtually at Registered Office Address at Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadadasanahalli, Bengaluru Rural - 562110, Karnataka, India	02:00 P.M. (IST)	-

POSTAL BALLOT

During the year, no Special Resolution was passed through Postal Ballot.

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.

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. As per the recent requirements of the Stock exchanges, the Company has created a separate tab for the above disclosures.

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 https://scores.sebi.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, Kavadadasanahalli, Bengaluru Rural - 562110, Karnataka, India Email: cs@dcxindia.com Tel: 080 - 6711 9555 Web: www.dcxindia.com	
4	**Date, Time and Venue of 15th AGM**	:	28.09.2026, 2.00 P M (IST) via Video Conferencing/ Other Audio Visual Means	
5	**Book Closure Dates/Cut-off dates**	:	21.09.2026	
6	**Dividend Payment Date**	:	N.A.	
7	**Financial Year**	:	April 01, 2025 to March 31, 2026	
8	**Financial Calendar for 2026-27 (Tentative and subject to change)**	:	Financial results reporting for the first quarter ending June 30, 2026	On or before 2nd week of August, 2026
			Financial results reporting for the second quarter ending September 30, 2026	On or before 2nd week of November, 2026
			Financial results reporting for the third quarter ending December 31, 2026	On or before 2nd week of February, 2027
			Financial results reporting for the fourth quarter and year ending March 31, 2027	On or before 4th week of May, 2027
			Annual General Meeting for the Financial Year ending March 31, 2027	On or before September, 2027
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 2025-26 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.mufg.com	
13	**Dematerialization of Equity Share of the Company as on March 31, 2026**	:	11,13,86,427 equity shares (i.e., 100% of total equity) are 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, 2026.	

15	**Share Transfer System**	:	All the Company's shares are held in dematerialized form as of March 31, 2026. Pursuant to Regulation 40 of SEBI Listing Regulations, transfer of securities of the Company shall be processed only in dematerialized form with the depositories. 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 locations of the Company are as detailed below: a. Aerospace SEZ Sector, Plot Nos. 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadadasanahalli, Bengaluru Rural - 562110, Karnataka, India b. Plot No. 118, 1st Floor, Hitech Defense and Aerospace Park, IT Sector Industrial Area, Sy No. 68/2, and 68/5, Arebinnamangala, Bangalore – 562 149

17 Shareholding Pattern of the Company as of March 31, 2026:

S.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	46,11,296	4.14
4.	Foreign Promoter Company	2,76,29,442	24.81
5.	Hindu Undivided Family	14,67,766	1.32
6.	Mutual Funds	43,23,035	3.88
7.	Non-Resident Indians	15,03,666	1.35
8.	Public	3,40,07,895	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	0.27
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	4,025	0.00
	Total	**11,13,86,427**	**100**

18 Distribution Schedule as on March 31, 2026:

Share -Range	No. of Shareholders	% of total	No. of Shares Held	% total
1-500	1,53,716	91.9442	1,34,91,141	12.11
501-1000	7,222	4.3198	55,87,223	5.02
1001-2000	3,486	2.0851	51,08,736	4.59
2001-3000	1,042	0.6233	26,60,687	2.39
3001-4000	452	0.2704	16,21,718	1.46
4001-5000	357	0.2135	16,83,335	1.51
5001-10000	547	0.3272	40,44,314	3.63
10001 & Above	362	0.2165	7,71,89,273	69.29
TOTAL	**1,67,184**	**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 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 and 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 Risk Management 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, 2026. 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 2025-26, 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:

S. 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:

a. **The Board:** The Company has an Executive Chairman and therefore the provision relating to Non-Executive Chairperson is not applicable.

b. **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

d. **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 CA Prasanna Kumar T S, Chief Financial Officer and placed at the Board meeting held on May 27, 2026. 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 2025-26

There was no instance during the financial year 2025 - 26, 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 Company continues to be exposed to commodity price fluctuations and foreign exchange risks arising from procurement of key raw materials and other input costs as well as transactions denominated in foreign currencies. These risks are actively monitored and managed through a structured risk management framework. Commodity price risk is mitigated through a combination of long-term rate contracts, strategic sourcing arrangements, and continuous evaluation of alternative suppliers to ensure cost stability and supply continuity of critical inputs.

In line with the Company's approved Foreign Exchange Risk Management Policy, foreign currency exposures during the financial year ended March 31, 2026, were regularly reviewed and appropriate hedging strategies were undertaken, as considered necessary, to minimize volatility in cash flows and protect profitability. The Company's hedging decisions are guided by prudent risk assessment practices and are aligned with the overall business objectives. Details of foreign currency exposure and hedging transactions have been appropriately disclosed in the Notes to the 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 March 31, 2026, 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 A-/Stable (Long Term Rating) Crisil A2+ (Short Term Rating)	Re-affirmed
Fund Based Facilities	4,200.00		

S. DETAILS OF UTILIZATION OF FUNDS OF PREFERENTIAL ALLOTMENT/QIP

The Company had raised ₹5,000.00 mn 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 ₹2,090.00 mn utilized for the object of investment in wholly owned subsidiary, Niart Systems Ltd., Israel, ₹7.20 mn utilized towards General Corporate Purposes (GCP) object and outstanding proceedings is planned to utilize during the financial year 2026-27 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 Companies 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. The said certificate is annexed to this report.

U. FEES PAID TO STATUTORY AUDITORS

During the year ended March 31, 2026, 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 Company, has not made any payment to NBS & Co, Chartered Accountants during the year ended March 31, 2026.

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 2025-26.

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 2025-26.

Z. 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.

ZA. 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

Dr. H S Raghavendra Rao	**Shivakumar R**
Chairman & Managing Director	Executive Director
DIN: 00379249	DIN: 08678987

Place: Bengaluru
Date: 12.08.2026

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, Kavadadasanahalli,
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, Kavadadasanahalli, 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 and 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, 2026 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.

Pramod S.
Practicing Company Secretary
ACS: 36020; CP No.: 13335
Peer Reviewed Unit: 8081/2026
ICSI UDIN: A036020H001141498

Place: Bengaluru
Date: 02.07.2026

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, Kavadadasanahalli,
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, 2026, 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, 2026.

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.

Pramod S.
Practicing Company Secretary
ACS: 36020; CP No.: 13335
Peer Reviewed Unit: 8081/2026
ICSI UDIN: A036020H001141498

Place: Bengaluru
Date: 02.07.2026

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, 2026, 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.

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

Place: Bengaluru
Date: 27.05.2026

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 CA Prasanna Kumar T S, 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, 2026, 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.

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

CA Prasanna Kumar T S
Chief Financial Officer

Place: Bengaluru
Date: 27.05.2026

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
DCX Systems Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of DCX Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, 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, 2026, 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.

Emphasis of Matters

a. We draw attention to point No. 3 of Note 1, Significant Accounting Policies forming part of financial statements to the Standalone Financial Statements relating to the substantial reduction in export sales during the year arising from lower business volumes from the overseas customer. Our opinion is not modified in respect of this matter.

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, 2026. 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, 2026, 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, 2026 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2026 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;

      i. 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.

      ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

      iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (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 notices that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. 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.

vi. 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 Shetty
Partner
Membership No. 046940
UDIN: 26046940PYHISM5584
Place: Bengaluru
Date: 27-05-2026

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, 2026.

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 howing 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.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.

(b) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, the company has been sanctioned working capital limits in excess of Rupees Five Crores, in aggregate, from banks or Financial Institutions which are secured on the basis of security of current assets. According to the explanations given to us and based on our verification the returns filed by the company are generally in agreement with the books of accounts.

(iii) (a) During the year the company has not provided guarantee to Subsidiary. Guarantee outstanding as on balance sheet date are detailed below:

(₹ In Millions, unless otherwise stated)

Particulars	Guarantees	Security	Loans	Advance in the nature of loans
Aggregate amount granted/provided during the year	Nil	Nil	Nil	Nil
Balance Outstanding as at balance sheet	1310	Nil	Nil	Nil

(b) During the year the investment made by the company in its associate is 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 is an MSME, 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:

(₹ In Millions, unless otherwise stated)

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	5.043	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	120.32	-	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, 2026, 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) 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 & Qualified Institutional Buyer's on private placement 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 account.

(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

CA Pradeep Shetty
Partner
Membership No. 046940
UDIN: 26046940PYHISM5584
Place: Bangalore
Date: 27-05-2026

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 auditors report of even date on the financial statements of **DCX Systems Limited** for the year ended March 31, 2026)

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, 2026 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, 2026, 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 Shetty
Partner
Membership No. 046940
UDIN: 26046940PYHISM5584
Place: Bangalore
Date: 27-05-2026

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ In Millions, unless otherwise stated)

	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	2	254.06	281.87
Capital work-in-progress	2	-	-
Right-of-use assets	3	43.00	43.00
Other intangible assets	4	2.26	3.00
Financial assets			
(i) Investments	5	2,426.56	1,586.26
(ii) Other financial assets	6	22.08	41.65
Deferred tax assets (net)	31 (d)	18.23	11.48
Other non-current assets	7	0.50	0.50
Total non-current assets		**2,766.68**	**1,967.76**
Current assets			
Inventories	8	4,234.09	1,730.98
Financial assets			
(i) Trade receivables	9	1,329.80	1,603.60
(ii) Cash and cash equivalents	10	1,091.33	1,316.07
(iii) Bank balances other than (ii) above	11	5,556.01	7,810.72
(iv) Other financial assets	12	14.35	1.95
Current tax assets (net)	31 (c)	-	-
Other current assets	13	2,393.15	1,979.73
Total current assets		**14,618.73**	**14,443.05**
Total assets		**17,385.41**	**16,410.81**
EQUITY & LIABILITIES			
Equity			
Equity share capital	14	222.78	222.78
Other equity	15	11,647.27	11,319.00
Total equity		**11,870.05**	**11,541.78**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Long Term Borrowings	16	-	-
(ii) Provisions	17	33.16	27.23
Total non-current liabilities		**33.16**	**27.23**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables	19	-	-
a) total outstanding dues of MSME		25.51	5.74
b) total outstanding dues of creditors other than MSME		1,779.67	846.62
(iii) Other financial liabilities	20	24.10	26.36
Other current liabilities	21	3,520.41	3,855.27
Provisions	22	1.38	1.10
Current tax liabilities (net)	31 (c)	131.13	106.71
Total current liabilities		**5,482.20**	**4,841.80**
Total liabilities		**5,515.36**	**4,869.03**
Total equity and liabilities		**17,385.41**	**16,410.81**

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

CA. Pradeep Shetty
Partner
M No: 046940
Place: Bengaluru
Date: 27-05-2026
UDIN: 26046940PYHISM5584

Dr. H S Raghavendra Rao
Chairman and Managing Director
DIN: 00379249

Ramegowda Shiva Kumar
Executive Director
DIN: 08678987

Prasanna Kumar T S
Chief Financial Officer
Place: Bengaluru
Date: 27-05-2026

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 2026	For the year ended 31 March 2025
Income			
Revenue from operations	23	7,398.72	11,120.60
Other Income	24	429.04	675.65
Total income		**7,827.76**	**11,796.25**
Expenses			
Cost of materials Consumed	25	8,413.50	10,803.33
Changes in inventories of finished goods and work-in-progress	26	(1,537.33)	-
Employee benefit expenses	27	184.99	147.01
Finance cost	28	29.57	99.60
Depreciation and amortisation expenses	29	64.05	57.19
Other expenses	30	173.74	141.44
Total expenses		**7,328.51**	**11,248.57**
Profit/(loss) before Exceptional Items, and Tax		**499.25**	**547.68**
Profit before exceptional items and tax		499.25	547.68
Exceptional items			
Profit before tax		**499.25**	**547.68**
Tax expense:	31		
Current tax		174.36	181.84
Deferred tax		(6.73)	(5.48)
Mat Credit		-	14.66
Total Tax Expenses		**167.63**	**191.02**
Profit for the period (A)		**331.62**	**356.66**
Other comprehensive (loss)/ income			
i. Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		(0.02)	(1.81)
(i) Income tax relating to remeasurements of defined benefit liability / (asset)		0.01	0.63
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		-	-
(ii) Income tax relating to items that will be reclassified subsequently to profit or loss		-	-
Total Other comprehensive income (B)		**(0.01)**	**(1.18)**
Total comprehensive income for the period (A+ B)		**331.61**	**355.48**
Earnings per equity share [nominal value of ₹ 2]			
Earnings per equity share for Continuing operations			
Basic (₹)		2.98	3.20
Diluted (₹)		2.98	3.20
Earnings per equity share for discontinued operations			
Basic (₹)		-	-
Diluted (₹)		-	-
Earnings per equity share for discontinued and continuing operations			
Basic (₹)		2.98	3.20
Diluted (₹)		2.98	3.20
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

CA. Pradeep Shetty
Partner
M No: 046940
Place: Bengaluru
Date: 27-05-2026
UDIN: 26046940PYHISM5584

For and on behalf of the Board of Directors of
DCX Systems Limited

Dr. H S Raghavendra Rao
Chairman and Managing Director
DIN: 00379249

Ramegowda Shiva Kumar
Executive Director
DIN: 08678987

Prasanna Kumar T S
Chief Financial Officer
Place: Bengaluru
Date: 27-05-2026

Gurumurthy Hegde
Company Secretary
Membership No: A24285

STANDALONE STATEMENT OF CASH FLOWS

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
A. Cash flow from operating activities		
Profit before tax	499.25	547.68
Adjustments to reconcile profit before tax to net cash flows:	-	-
Interest on fixed deposits	(424.83)	(585.12)
Profit on sale of fixed assets	-	-
Interest on borrowings	-	66.44
Depreciation and amortisation expense	64.05	57.19
Remeasurement of defined employee benefit plan	(0.02)	(1.81)
Operating profit before working capital changes	**138.44**	**84.38**
Movement in working capital:	-	-
(Increase)/Decrease in trade receivables	273.80	5,067.11
(Increase)/Decrease in inventories	(2,503.11)	(476.78)
(Increase)/Decrease in other current assets	1,841.29	(8,555.64)
(Increase)/Decrease in other non current financial assets	19.57	(4.38)
(Increase)/Decrease in other current financial assets	(12.40)	(1.95)
Increase/(Decrease) in trade payables	952.81	(2,949.06)
Increase/(Decrease) in non current provisions	5.94	12.64
Increase/(Decrease) in current provisions	0.28	0.40
Increase/(Decrease) in other current financial liabilities	(2.26)	9.62
Increase/(Decrease) in other current liabilities	(334.85)	3,532.48
Cash generated from operations	**379.52**	**(3,281.15)**
Net income tax (paid)	(149.94)	(93.62)
Net cash from operating activities (A)	**229.58**	**(3,374.77)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment and Other Intangible assets	(35.49)	(61.81)
Proceeds from disposal of property, plant and equipment	-	-
Capital work in progress and capital advance	-	-
Investment in Subsidiary	(840.32)	(1,457.76)
Interest received	424.83	585.12
Net cash used in investing activities (B)	**(450.98)**	**(934.45)**
C. Cash flows from financing activities		
Working Capital/Term Loan	-	(2,653.07)
Net Proceeds from issue of Shares	-	-
Fund Raising Expenses	(3.35)	(2.77)
Interest paid	-	(66.44)
Net cash used in financing activities (C)	**(3.35)**	**(2,722.28)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**(224.74)**	**(7,031.50)**
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period / year	1,316.07	8,347.57
Cash and cash equivalents at the end of the period / year	**1,091.33**	**1,316.07**
Notes: -		
1. Cash and cash equivalents include		
Cash on hand		
Balances with bank		
- Current accounts	1,091.33	1,316.07
Total	**1,091.33**	**1,316.07**

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

CA. Pradeep Shetty
Partner
M No: 046940
Place: Bengaluru
Date: 27-05-2026
UDIN: 26046940PYHISM5584

For and on behalf of the Board of Directors of
DCX Systems Limited

Dr. H S Raghavendra Rao
Chairman and Managing Director
DIN: 00379249

Ramegowda Shiva Kumar
Executive Director
DIN: 08678987

Prasanna Kumar T S
Chief Financial Officer
Place: Bengaluru
Date: 27-05-2026

Gurumurthy Hegde
Company Secretary
Membership No: A24285

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1. **Corporate Information:**

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

2. **Significant accounting policies:**

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

2.1 **Basis of Preparation and Compliance:**

a. **Preparation of Financial statements:**

The financial statements, for the financial year 31 March 2026 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 27, 2026. 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 into 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.

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 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.

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 financials 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 financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

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

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

Derecognition:
The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of Financial Assets:
The Company assesses impairment based on expected credit loss ('ECL') model on the following:
- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI.

ECL is measured through a loss allowance on a following basis:
- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date);
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments).

Financial Liabilities:
The Company's financial liabilities include trade payable.

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

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

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

(ii) **Financial Liabilities classified as Fair value through profit and loss (FVTPL):**
Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

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

D. **Offsetting of financial instruments:**
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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

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 book overdrafts. However, Book 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 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. 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:

- 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 r directly in equity. In this case, the tax is also recognized in other comprehensive income or directly or directly in equity respectively.

Minimum Alternate Tax (MAT):
Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is

convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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 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.

ab. 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 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.

ac. 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.

ad. 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.

3. **General Note:**

The revenue decline for the period was primarily influenced by global geopolitical tensions and have led to significant supply chain disruptions, affecting the availability of critical components and materials essential for production. The airspace was closed for material transportation for considerable amount of time and this also affected movement of personnel which were vital for technical discussions and progressing with the manufacturing. In addition, the suppliers of critical components faced prolonged delays in obtaining necessary export licenses from their state specific authorities. Certain programmes also experienced delays due to stringent product technical qualification and certification processes, which are necessary to meet defence compliance and performance standards. Collectively, these factors contributed to the slowdown in revenue realization during the reporting period.

Encouragingly, the situation has begun to improve. Supply chain stability is gradually returning, and key programmes are progressing through their qualification milestones. With these positive developments, we anticipate strong momentum in the upcoming periods and are confident in our ability to make substantial progress in revenue generation.

STANDALONE STATEMENT OF CHANGES IN EQUITY

(a) Equity share capital

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of Shares*	Amount	Number of Shares*	Amount
Balance at the beginning of the reporting year	111,386,427.00	222.78	111,386,427.00	222.78
Changes in equity share capital due to prior period errors				
Balance as at the beginning of the reporting period / year	111,386,427.00	222.78	111,386,427.00	222.78
Changes in equity share capital during the period / year	-	-	-	-
Equity Shares issued during the year in consideration for cash				
Balance at the end of the reporting period / year	111,386,427.00	222.78	111,386,427.00	222.78

* Number of shares are presented as absolute number.

(b) Other equity

(₹ In Millions, unless otherwise stated)

Particulars	TOTAL OTHER EQUITY	
	For the year ended 31 March 2026	For the year ended 31 March 2025
RETAINED EARNINGS		
Balance at the beginning of current reporting year	2,776.66	2,421.18
Total comprehensive income for the year		
Profit for the year	331.62	356.66
Other comprehensive income (net of tax)		
- Remeasurements of defined benefit liability / (asset)	(0.02)	(1.18)
- Hedge Reserve	-	-
Total comprehensive income (A)	3,108.28	2,776.66
SECURITIES PREMIUM		
Balance at the beginning of current reporting year	8,542.34	8,545.11
Proceeds from issue of Shares	-	-
Less: Public issue expenditure	(3.35)	(2.40)
Less: QIP issue expenditure	-	(0.37)
Total Securities Premium (B)	8,538.99	8,542.34
Balance at the end of current reporting year (A + B)	11,647.27	11,319.00

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

CA. Pradeep Shetty
Partner
M No: 046940
Place: Bengaluru
Date: 27-05-2026
UDIN: 26046940PYHISM5584

For and on behalf of the Board of Directors of
DCX Systems Limited

Dr. H S Raghavendra Rao
Chairman and Managing Director
DIN: 00379249

Ramegowda Shiva Kumar
Executive Director
DIN: 08678987

Prasanna Kumar T S
Chief Financial Officer
Place: Bengaluru
Date: 27-05-2026

Gurumurthy Hegde
Company Secretary
Membership No: A24285

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

2. Property, plant and equipment

(₹ In Millions, unless otherwise stated)

Descriptions	Owned Assets									
	Compu-ters	Office Equip-ments	Furniture and Fixtures	Leasehold improvem ents	Tools & Equip-ments	Electrical Install-ations	Plant & Machi-nery	Building	Vehicle	Total
Gross Block										
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**
As at 1 April 2025	18.20	18.69	8.78	17.06	8.44	21.27	151.99	126.26	77.71	**448.40**
Additions	2.66	1.63	0.61	1.33	13.71	3.40	11.36	0.15	-	**34.85**
Disposals during the period / year	-	-	-	-	-	-	-	-	-	**-**
As at 31 March 2026	**20.86**	**20.31**	**9.39**	**18.39**	**22.15**	**24.68**	**163.34**	**126.41**	**77.71**	**483.25**
Accumulated depreciation										
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	34.42	**166.53**
As at 1 April 2025	**11.09**	**3.52**	**3.95**	**8.50**	**4.96**	**8.91**	**52.47**	**38.72**	**34.42**	**166.53**
Depreciation for the period / year	**5.40**	**7.08**	**1.25**	**2.51**	**1.79**	**3.74**	**19.06**	**8.31**	**13.53**	**62.67**
Depreciation on disposals	-	-	-	-	-	-	-	-	-	**-**
As at 31 March 2026	**16.49**	**10.60**	**5.21**	**11.01**	**6.75**	**12.65**	**71.53**	**47.02**	**47.94**	**229.20**
Net block										
As at 31 March 2026	**4.37**	**9.72**	**4.19**	**7.39**	**15.40**	**12.02**	**91.81**	**79.39**	**29.77**	**254.06**
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**

Title deeds of Immovable Properties

Descriptions	As at 31 March 2026	As at 31 March 2025
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.	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

(₹ In Millions, unless otherwise stated)

Particulars	As at April 1, 2025	Additions	Capitalised during this period / year	As at March 31, 2026
Capital work-in-progress	-	-	-	-
Total	**-**	**-**	**-**	**-**

Particulars	As at April 1, 2024	Additions	Capitalised during this period / year	As at March 31, 2025
Capital work-in-progress	-	-	-	-
Total	**-**	**-**	**-**	**-**

3. Right-of-use assets

(₹ In Millions, unless otherwise stated)

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
Particulars	As at April 1, 2025	Charge for the period / year	Disposals during the year	As at March 31, 2026	As at April 1, 2025	Charge for the period / year	Disposals during the year	As at March 31, 2026	As at April 1, 2025	As at March 31, 2025
Leasehold Land	43.00	-	-	43.00	-	-	-	-	43.00	43.00
Total Assets	**43.00**	**-**	**-**	**43.00**	**-**	**-**	**-**	**-**	**43.00**	**43.00**

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
Particulars	As at April 1, 2024	Charge for the period / year	Disposals during the year	As at March 31, 2025	As at April 1, 2024	Charge for the period / year	Disposals during the year	As at March 31, 2025	As at April 1, 2024	As at March 31, 2025
Leasehold Land	43.00	-	-	43.00	-	-	-	-	43.00	43.00
Total Assets	43.00	-	-	43.00	-	-	-	-	43.00	**43.00**

4. Other intangible assets

(₹ In Millions, unless otherwise stated)

Description	Computer Software	Total
Gross block		
As at 1 April 2025	12.96	**12.96**
Additions	0.64	**0.64**
Disposals during the period / year	-	**-**
As at 31 March 2026	**13.60**	**13.60**
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**
Amortisation		
As at 1 April 2025	9.96	**9.96**
Amortisation for the period / year	1.38	**1.38**
Disposal during the period / year	-	**-**
As at 31 March 2026	**11.34**	**11.34**
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**
Net block		
As at 31 March 2026	**2.26**	**2.26**
As at 31 March 2025	3.00	**3.00**

5. Investments

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Investment measured at cost		
Investment in wholly owned subsidiary (unquoted investments)		
Addition : During the year company invested in "NIART Systems Ltd" Rs 83,93,70,000 and in ELTX SYSTEMS PVT LTD Rs 9,25,000.	2,426.56	1,586.26
	2,426.56	**1,586.26**
(a) Aggregate book value of quoted investments	-	-
(b) Aggregate market value of quoted investments	-	-
(c) Aggregate amount of unquoted investments	2,426.56	1,586.26
(d) Aggregate amount of impairment in value of investments	-	-

6. Other non-current financial assets

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Fixed deposits with banks with maturity of more than 12 months	-	-
Other deposits	0.44	0.01
SBI Gratuity Trust	19.52	14.94
Security deposits	2.13	26.70
	22.08	**41.65**

7. Other non-current assets

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Capital advances	0.50	0.50
	0.50	**0.50**

8. Inventories

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
(valued at lower of cost and net realizable value)		
Raw material	2,696.76	1,730.98
Stock in trade	-	-
Finished goods	-	-
Work in progress	1,537.33	-
	4,234.09	**1,730.98**

9. Trade receivables

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
(Unsecured)		
Trade receivables considered good	1,329.80	1,603.60
Trade receivables – credit impaired	-	-
Less: Allowance for doubtful receivables	-	-
	1,329.80	**1,603.60**
The above amount includes:		
Others	1,329.80	1,603.60
Receivable from related parties	-	-
	1,329.80	**1,603.60**

As at 31 March 2026 – Trade receivables

(₹ In Millions, unless otherwise stated)

	Outstanding for following periods from due date of Payment				
	Less than 6 Months	6 Months–1 Year	1–2 Years	More than 3 Years	Total
(i) Undisputed trade receivables – considered good	1,305.04	1.08	18.44	5.24	1,329.80
(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	-	-	-	-	
Total	**1,305.04**	**1.08**	**18.44**	**5.24**	**1,329.80**

As at 31 March 2025 – Trade receivables

(₹ In Millions, unless otherwise stated)

	Outstanding for following periods from due date of Payment				
	Less than 6 Months	6 Months–1 Year	1–2 Years	More than 3 Years	Total
(i) Undisputed trade receivables – considered good	1,531.59	-	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	-	-	-	-	
Total	**1,531.59**	**-**	**72.01**	**-**	**1,603.60**

10. Cash and cash equivalents

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Balances with banks		
Current accounts	1,091.33	1,316.07
In deposit account (the maturity of the period of which is less than 3 months)	-	-
Cash in hand	-	-
	1,091.33	**1,316.07**

11. Bank balances other than cash and cash equivalents

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Other bank balances		
Deposits with original maturity of more than 3 months (₹1,240.00 Mn Kept as margin money with Banks and ₹374.72 Mn Unutilized proceeds from IPO and ₹2,769.29 Mn Unutilized proceeds from QIP)	5,556.01	7,810.72
	5,556.01	**7,810.72**

12. Other current financial assets

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
MEIS incentive receivables	-	-
Forward Contract	-	-
Rent Security Deposit	1.95	1.95
RoDTEP Receivables	12.40	-
	14.35	**1.95**

13. Other current assets

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Advances to suppliers*	2,144.74	1,941.18
Advance salary	0.17	0.09
Balances with statutory/government authorities	219.60	30.83
Prepaid expenses	8.47	7.63
Advance for Land – KIADB	20.17	-
	2,393.15	**1,979.73**
*** Advances to suppliers includes:**		
Others	255.40	360.25
Advances to related parties	1,889.34	1,580.94
Total	**2,144.74**	**1,941.18**

14. Share capital

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised :		
125,000,000 Equity Shares of ₹ 2/- each.	250.00	250.00
	250.00	**250.00**
Issued and subscribed and paid up:		
Equity Share Capital		
11,13,86,427 equity shares of ₹ 2/- each	222.78	222.78
	222.78	**222.78**

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

Equity Shares	As at 31 March 2026 Number of shares*	As at 31 March 2025 Number of shares*
Outstanding at the beginning of the year / period	111,386,427	111,386,427
Equity Shares issued during the year in consideration for cash	-	-
Total number of shares before Sub Division	**111,386,427**	**111,386,427**
Outstanding at the end of the year	**111,386,427**	**111,386,427**

* 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 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.

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

	As at 31 March 2026 Equity shares of ₹ 2 each fully paid			As at 31 March 2025 Equity shares of ₹ 2 each fully paid		
	Number of Shares*	% of Shares	Changes in % of Shares	Number of Shares*	% of Shares	Changes in % of Shares
M/s Raneal Technologies Pvt Ltd**	31,884,542	28.63%	0.00%	31,884,542	28.63%	100.00%
M/s NCBG Holdings Inc	22,407,242	20.12%	(4.68%)	27,629,442	24.80%	(3.83%)
Dr.H S Raghavendra Rao	-	-	-	-	-	-

Promoters' shareholding in the Company

	As at 31 March 2026 Equity shares of ₹ 2 each fully paid			As at 31 March 2025 Equity shares of ₹ 2 each fully paid		
	Number of Shares*	% of Shares	Changes in % of Shares	Number of Shares*	% of Shares	Changes in % of Shares
M/s Raneal Technologies Pvt Ltd**	31,884,542	28.63%	0.00%	31,884,542	28.63%	100.00%
M/s NCBG Holdings Inc	22,407,242	20.12%	(4.68%)	27,629,442	24.80%	(3.83%)
Dr.H S Raghavendra Rao	3,812,558	3.42%	-	3,812,558	3.42%	(1.62%)

* Number of shares is presented as absolute number.

** Pursuant to merger scheme approved by NCLT, Ahmedabad Bench vide its order dated 11-12-2024, the Company merged with Raneal Technologies Pvt Ltd.

15. Other equity

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Reserves and surplus		
A. Retained earnings	3,108.28	2,776.66
B. Securities premium	8,538.99	8,542.34
	11,647.27	**11,319.00**
A. Retained earnings		
Balance at the beginning of current reporting year	**2,776.66**	**2,421.18**
Profit for the year	331.62	356.66
Less: Utilized for issue of Balance Bonus Shares		
Other comprehensive (loss)/ income		
- Remeasurements of defined benefit liability / (asset) (net of tax)	(0.02)	(1.18)
- Hedge Reserve	-	-
	3,108.28	**2,776.66**
B. Securities premium		
Opening balance	**8,542.34**	**8,545.11**
Add : Proceeds from issue of Shares	-	-
Less : Public issue expenditure	(3.35)	(2.40)
Less : QIP issue expenditure	-	(0.37)
	8,538.99	**8,542.34**

16. Long Term Borrowings

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Secured Working Capital Term Loan	-	-
	-	**-**

17. Provisions

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits		
Gratuity (Refer note no. 37 for further disclosures)	19.95	16.25
Leave encashment	13.21	10.98
Other Provisions	-	-
	33.16	**27.23**

18. Borrowings

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Secured		
From Bank		
Working capital loan	-	-
Working Capital Demand Loan	-	-
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 SOFR plus 150 to 350 basis points & for EPC (Drawn in INR) Net interest payable ranges from 6.50% to 8.5% and for Bank Guarantee issued at Cash Margin 30% to 50 %. Corporate Guarantees are extended by Promoter Group companies.		

19. Trade payables

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 34)	25.51	5.74
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,779.67	846.62
	1,805.18	**852.36**

Note: Refer note 35 for related party disclosure.

As at 31 March 2026

(₹ In Millions, unless otherwise stated)

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 (Only Micro Enterprises and Small Enterprises)	25.51	-	-	-	25.51
(ii) Others	1,736.41	26.52	0.88	15.86	1,779.67
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**1,761.91**	**26.52**	**0.88**	**15.86**	**1,805.18**

As at 31 March 2025

(₹ In Millions, unless otherwise stated)

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 (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	-	-	-	-	-
Total	**835.08**	**0.57**	**0.47**	**16.24**	**852.36**

20. Other financial liabilities

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Accrued expense payable	4.79	11.14
Employee benefits payable	19.31	15.22
	24.10	**26.36**

21. Other current liabilities

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Advance received from customers	3,406.07	3,847.56
Statutory dues payable	112.94	6.31
Rent Security Deposit	1.40	1.40
	3,520.41	**3,855.27**

22. Provisions

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Provision for gratuity	0.77	0.56
Provision for leave encashment	0.61	0.54
	1.38	**1.10**

23. Revenue from operations

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Sale of products	7,379.79	11,091.74
Sale of services	6.51	28.86
Other operating revenue		
MEIS incentive received	-	-
RoDTEP	12.42	-
	7,398.72	**11,120.60**

Refer note no. 38 for further disclosures.

24. Other income

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Foreign exchange fluctuation	-	87.77
Interest on fixed deposits	424.83	585.12
LD Charges reversal	-	-
Other income	1.10	-
Profit on sale of used Asset	-	-
Rent received	1.90	1.80
Interest income on Gratuity trust deposit	1.21	0.96
	429.04	**675.65**

25. Cost of materials consumed

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening Stock	1,730.97	1,254.19
Import purchases	4,372.86	8,337.35
Local purchases	5,006.42	2,942.77
Less: Closing Stock	2,696.76	1,730.98
	8,413.50	**10,803.33**

26. Changes in inventories of finished goods and work-in-progress

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening inventories		
Finished goods	-	-
Work-in-process	-	-
Total (A)	**-**	**-**
Closing Inventories		
Finished goods	-	-
Work-in-process	1,537.33	-
Total (B)	**1,537.33**	**-**
Total (A-B)	**(1,537.33)**	**-**

27. Employee benefit expenses

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Employee Insurance	0.90	0.43
Encashment of earned leave	2.40	4.35
Gratuity	4.02	3.32
Salaries and wages including bonus, incentives	168.12	131.54
Staff welfare expenses	9.55	7.37
	184.99	**147.01**

28. Finance costs

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Bank charges	1.23	4.74
Interest on borrowings	-	66.43
Interest on term loan / Working Capital Term Loan	-	-
Other borrowing costs	26.39	20.49
Other Interest Cost	1.94	7.94
	29.57	**99.60**

29. Depreciation and Amortisation expense

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Amortisation of intangible assets (refer note 4)	1.38	0.44
Depreciation of property, plant and equipment (refer note 2)	62.67	56.75
	64.05	**57.19**

30. Other expenses

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Manufacturing service cost expenses		
Freight expenses	34.31	20.26
Power and fuel expenses	2.92	2.36
Repairs and maintenance		
Building	3.52	1.74
Machinery & others	0.81	0.85
Wages and labour charges	13.87	3.81
Water Charges	0.54	0.29
Administrative and general expenses		
Business promotion expenses	4.28	7.91
Communication expenses	1.09	0.65
Director Sitting Fees	1.20	1.20
Insurance	6.24	5.54
Income / (loss) arising from fair valuation of assets through profit & loss	-	-
Internal Audit fees	0.80	0.80
Net loss on foreign currency translation	24.02	-
Others expenses	33.79	28.48
Professional & consultancy fees	16.35	36.13
Printing and stationery	0.33	0.56
Rent	2.39	0.20
Rates and taxes	20.93	13.09
Remuneration to auditors		
Statutory audit	1.50	1.50
Tax audit	-	-
Travelling and conveyance	4.85	16.07
	173.74	**141.44**

31. Taxes

(a) Statement of profit or loss

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current tax:		
Current income tax charge	174.36	181.84
Deferred tax	(6.73)	(5.48)
MAT Credit Entitlement	-	14.66
Income tax expense reported in the statement of profit or loss	**167.63**	**191.02**

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during the period

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Deferred tax		
Remeasurements gains and losses on post employment benefits	0.01	0.63
Income tax recognised in OCI	**0.01**	**0.63**

(c) Balance sheet

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Current tax assets		
Non-current tax assets	-	-
Current tax assets	-	-
Total tax assets	**-**	**-**
Current tax liabilities		
Income tax (net of advance tax)	131.13	106.71
Total current tax liabilities	**131.13**	**106.71**

(d) Deferred tax liabilities / assets

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Income tax relating to remeasurements of defined benefit liability / (asset)	0.87	0.86
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	11.88	6.14
Gratuity provision	1.30	1.12
Leave encashment	4.17	3.36
MAT Credit	-	-
Net deferred tax liability/(asset)	**18.23**	**11.48**

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

(₹ In Millions, unless otherwise stated)

Particulars		For the year ended 31 March 2026	For the year ended 31 March 2025
Accounting profit before tax		**499.25**	**547.68**
Tax rate		**34.94%**	**34.94%**
Tax as per IT Act on above		**174.46**	**191.38**
Tax expenses (P&L)			
(i) Current tax		174.36	181.84
(ii) Deferred tax		(6.73)	(5.48)
(iii) MAT		-	14.66
		167.63	**191.02**
Tax expenses (OCI)		0.01	0.63
Difference	**(C)**	**6.82**	**(0.27)**
Tax reconciliation			
Adjustments:			
Taxation in respect of earlier years		-	-
Effect of exemptions and deductions		(0.10)	5.12
Others		(6.72)	(4.84)

32. Earnings Per Share

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Profits attributable to equity shareholders		
Profit for the year	331.62	356.66
Basic Earnings Per Share		
Number of equity shares outstanding during the year	111,386,427.00	111,386,427.00
Basic EPS (₹)	**2.98**	3.20
Diluted Earnings Per Share		
Profit for the year	331.62	356.66
Number of equity shares outstanding during the year	111,386,427.00	111,386,427.00
Diluted EPS (₹)	**2.98**	3.20

Weighted average number of equity shares for Basic and Diluted Earnings Per Share

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Balance at the beginning of the period of ₹2/- Each (₹10/- each for previous year)	111,386,427.00	111,386,427.00
Issued during the period	-	-
Total	**111,386,427.00**	**111,386,427.00**
Weighted average number of equity shares outstanding during the period	**111,386,427.00**	**111,386,427.00**

* Number of shares is presented as absolute number.

33. Contingent liabilities, contingent assets and commitments

(a) Contingent liabilities

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Bank guarantees	5,347.41	4,536.99
Corporate Guarantee provided to wholly owned Subsidiary	1,310.00	1,310.00
Pending Income tax litigations	125.37	120.81
Pending GST litigations	14.34	14.34

(b) Commitments

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for	40.00	-
Commitments Pending from IPO Proceeds*	-	-
Commitments Pending from QIP Proceeds	2,000.00	2,830.00

* Revised IPO object as per board resolution dated 29-03-2024 and resolution passed by the shareholders through postal ballot, Friday, 03 May 2024.

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

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Principal amount remaining unpaid to any supplier as at the end of the period/year		
Trade payables	25.51	5.74
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 MSMED Act, 2006	-	-
The amount of payment made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (beyond the appointed day) without adding interest 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	-	-

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.

35. Related Party Disclosures

(a) List of Related Parties

Sl. No.	Related Party	Nature of Relation
1	Dr. H S Raghavendra Rao	Chairman and Managing Director and Director of a wholly owned Subsidiary Companies (NIART Systems Limited and Raneal Advanced Systems Pvt Ltd) and Nominee Director of a Associate Company ELTX Systems Private limited.
2	Mr. Neal Jeremy Castleman	Director (during the year upto 08-10-2024)
3	Mr. Anand S	Key Managerial Personnel and was 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 Company 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 and not applicable for FY 2025-26)
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. Diwakaraiah N J	Chief Financial Officer from 11-04-2024 and Executive Director of Company from 28-06-2024.
11	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.)
12	Mr. Prasanna Kumar T S	Chief Financial Officer (w.e.f 02-09-2025) and also Chief Financial Officer, Raneal Advanced Systems Pvt. Ltd. (wholly owned subsidiary) from 04-02-2026.
13	Mr. Pramod. B	Key Managerial Personnel and Director of a Promoter group Company
14	Mr. G S Manjunath	Key Managerial Personnel
15	Mr. Atul D Mutthe	Key Managerial Personnel
16	Mr. Rajanikanth K N	Key Managerial Personnel
17	Mr. Harsha H.M	Director of a Promoter group Company
18	Mr. Gurumurthy Hegde	Company Secretary, Legal and Compliance Officer (from 08-02-2024 to till date)
19	M/s. NIART Systems Limited Israel	Wholly Owned Subsidiary
20	Mr. Haim Sobal	Director of Wholly Owned Subsidiary M/s. NIART Systems Limited
21	M/s. ELTX Systems Pvt Ltd	Associate Company
22	Mr. Gopinath Vedaprakash	Whole-Time Director

(b) Transactions with Related Parties

(₹ In Millions, unless otherwise stated)

Sl. No.	Related Party	Nature of the transaction	For the year ended 31 March 2026	For the year ended 31 March 2025
	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)	306.83	78.93
3	M/s. Raneal Advanced Systems Pvt Ltd.	Purchase of Raw Materials/Capital goods	3,747.74	2,299.53
	Sales			
4	M/s. DCX Chol Enterprises Inc	Export of Finished Goods	-	-
5	M/s. Raneal Advanced Systems Pvt Ltd.	Sale	9.55	4,161.98
	Investments			
6	M/s. Raneal Advanced Systems Pvt Ltd.	Investment	-	199.88
7	M/s. NIART Systems Limited	Investment	839.37	1,257.89
8	M/s. ELTX Systems Pvt Ltd	Investment	0.93	-
	Reimbursement of Expenses			
9	M/s. Raneal Advanced Systems Pvt Ltd.	Reimbursement of Expenses	4.29	2.52
	Income			
10	M/s. Raneal Advanced Systems Pvt Ltd.	Services *	1.90	1.80
	Expenditure			
11	Dr. H.S. Raghavendra Rao	Salary	22.89	22.89
12	Mr. Anand S	Salary	3.97	3.64
13	Mr. Shiva Kumara R	Salary	6.17	5.66
14	Mr. Prasanna Kumar T S	Salary	4.16	3.83
15	Mr. Pramod. B	Salary	3.97	3.64
16	Mr. G S Manjunath	Salary	2.24	2.06
17	Mr. Atul D Mutthe	Salary	2.17	1.84
18	Mr. Rajanikanth K N	Salary	2.14	1.89
19	Mr. Gurumurthy Hegde	Salary	2.31	2.02
20	Mr. Diwakaraiah N J	Salary	2.50	5.83
21	Mr. Gopinath Vedaprakash	Salary	3.96	-
22	Mr. Harsha H.M	Professional Fee	0.78	0.78
23	Mr. Harsha H.M	Reimbursement of expenses	-	0.08
24	Mr. Haim Sobal (Haim Sobal Consulting)	Professional Fee	-	12.66
	TOTAL		**4,967.87**	**8,075.47**
	Payable / (Receivable) / (Advance)			
25	M/s. DCX Chol Enterprises Inc	Payable / (Receivable)	-	(18.32)
26	M/s. RNSE-TRONICS Pvt Ltd.	Payable / (Advance)	313.66	(62.04)
27	M/s. Raneal Advanced Systems Pvt Ltd.	Payable / (Advance)	(1,879.94)	(1,393.07)
28	Dr.H S Raghavendra Rao	Salary Payable	1.10	1.10
29	Mr. Anand S	Salary Payable	0.25	0.20
30	Mr. Shiva Kumara R	Salary Payable	0.36	0.32
31	Mr. Prasanna Kumar T S	Salary Payable	0.24	0.23
32	Mr. Pramod. B	Salary Payable	0.25	0.22
33	Mr. G S Manjunath	Salary Payable	0.15	0.14
34	Mr. Atul D Mutthe	Salary Payable	0.15	0.10
35	Mr. Rajanikanth K N	Salary Payable	0.15	0.13
36	Mr. Gurumurthy Hegde	Salary Payable	0.16	0.13
37	Mr. Gopinath Vedaprakash	Salary Payable	0.36	-
38	Mr. Diwakaraiah N J	Salary Payable	-	0.38
39	Mr. Harsha H.M	Payable / (Advance)	0.27	0.27
40	ELTX Systems Pvt Ltd	Payable / (Advance)	(9.40)	-

* 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.

36. Fair value measurements

(a) Categories of financial instruments

As at 31 March 2026

(₹ In Millions, unless otherwise stated)

Particulars	Carrying Amount				Fair Values			
	FVTPL	FVTOCI	Amortised Cost	Total	Level1	Level 2	Level 3	Total
Financial assets								
Trade receivables	-	-	1,329.80	1,329.80				
Cash and cash equivalents	-	-	1,091.33	1,091.33				
Other bank balances	-	-	5,556.01	5,556.01				
Other financial assets	-	-	36.43	36.43				
Total financial assets	**-**	**-**	**8,013.58**	**8,013.58**				
Financial liabilities								
Borrowings	-	-	-	-				
Trade payables	-	-	1,805.18	1,805.18				
Working Capital Term Loan	-	-	-	-				
Other financial liabilities	-	-	24.10	24.10				
Total financial liabilities	**-**	**-**	**1,829.27**	**1,829.27**				

As at 31 March 2025

(₹ In Millions, unless otherwise stated)

Particulars	Carrying Amount				Fair Values			
	FVTPL	FVTOCI	Amortised Cost	Total	Level1	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**				

(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 amortised cost approximate their fair value (except for which the fair values are mentioned).

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 recognised the following amounts in the profit & loss account for the year/period:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Provident Fund		
Employer's Contribution	8.56	6.25
Administration charges	0.47	0.37
Employer's Contribution to ESI (Employee State Insurance)	0.17	0.10
	9.21	**6.72**

(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 recognised in 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 table summaries the component of net benefit expense recognized in the statement of profit and loss the funded status and amount recognized in balance sheet for the plan.

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Present Value of Benefit Obligation at the Beginning of the Period	16.82	11.78
Interest cost	1.14	0.85
Current service cost	2.88	2.47
Benefits paid	(0.13)	(0.09)
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Financial Assumptions	(1.29)	0.87
- Due to Change in Demographic Assumptions	-	-
- Due to Experience	1.31	0.94
Present value of obligation at the end of the period / year	**20.73**	**16.82**

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Fair value of Plan assets at Beginning of the period / year		
Interest Income	-	-
Contributions	(0.13)	(0.09)
Mortality charges and taxes	-	-
Benefits paid	0.13	0.09
Return on plan assets, excluding amount recognized in Interest income – Gain / (Loss)	-	-
Fair value of Plan assets at end of the period / year	**-**	**-**

Net interest cost for current period:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Interest Cost	1.14	0.85
Interest Income	-	-
Net Interest Cost for Current Period	**1.14**	**0.85**

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Current service cost	2.88	2.47
Net interest (Income)/ Expense	1.14	0.85
Net benefit expense	**4.02**	**3.32**

Amount recognised in the statement of other comprehensive income:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Re-measurement for the year: obligation (gain) / loss	0.02	1.81
Re-measurement for the year: plan assets (gain) /loss	-	-
Total re-measurements cost / (credit) recognised in OCI	**0.02**	**1.81**

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Defined Benefit Obligation	20.73	16.82
Fair value of plan assets	-	-
Closing net defined benefit liability/(asset)	**20.73**	**16.82**
Current	0.77	0.56
Non-Current	19.96	16.25

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

Particulars	As at 31 March 2026	As at 31 March 2025
Mortality table	100% of IALM 2012-14	100% of IALM 2012-14
Discount rate	6.79%	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%

A quantitative sensitivity analysis for significant assumptions as at 31 March 2026 is as shown below:

Assumptions	Increase by 100 bps	Decrease by 100 bps
Delta effect of 1% change in rate of discounting	(2.29)	2.77
Delta effect of 1% change in rate of salary increase	1.86	(1.76)
Delta effect of 1% change in rate of employee turnover	(0.37)	0.42

A quantitative sensitivity analysis for significant assumptions as at 31 March 2025 is as shown below:

Assumptions	Increase by 100 bps	Decrease by 100 bps
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

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 2026	As at 31 March 2025
1st Following Year	0.77	0.56
2nd Following Year	0.88	0.62
3rd Following Year	1.15	0.71
4th Following Year	0.99	0.90
5th Following Year	2.52	0.78
After 5th Year	58.26	46.83

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 1 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:

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Gross Sales (Contracted Price)	7,386.30	11,120.60
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	-	-
Revenue recognised	**7,386.30**	**11,120.60**

(b) Recognition of revenue as per Ind AS 115

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue recognised at point in time	7,379.79	11,091.74
Revenue recognised over the period	6.51	28.86
Total	**7,386.30**	**11,120.60**

(c) Revenue from products:

(₹ In Millions, unless otherwise stated)

Country / Region	For the year ended 31 March 2026	For the year ended 31 March 2025
Exports	4,287.30	5,173.81
Deemed Exports	3,017.34	5,856.09
Domestic	75.15	61.84
Total revenue	**7,379.79**	**11,091.74**

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 financials 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.

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Total current assets (A)	14,618.73	14,443.05
Total current liabilities (B)	5,482.20	4,841.80
Working capital (A-B)	**9,136.53**	**9,601.25**
Current Ratio	**2.67**	**2.98**

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

(₹ In Millions, unless otherwise stated)

Particulars		As at 31 March 2026 - Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	-	-	-	-
Trade payables	1,805.18	-	1,805.18	1,805.18
Other financial liabilities	24.10	22.83	1.27	24.10

Particulars		As at 31 March 2025 - Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	-	-	-	-
Trade payables	852.37	26.52	825.85	852.37
Other financial liabilities	26.36	25.08	1.27	26.35

(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

(₹ In Millions, unless otherwise stated)

Financial Assets	As at 31 March 2026		As at 31 March 2025	
	Foreign currency	Equivalent amount in ₹	Foreign currency	Equivalent amount in ₹
Trade receivables				
USD	13.24	1,253.34	22.64	1,937.58
Euro	-	-	-	-
Advance to suppliers				
USD	2.45	232.36	3.62	309.86
Euro	0.09	9.34	0.39	36.35
GBP	0.05	5.71	0.07	7.27
CHF	-	0.04	-	0.24
Balance with banks – in EEFC accounts	10.95	1,036.05	14.47	1,238.09
	26.77	**2,536.84**	**41.19**	**3,529.39**

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

(ii) Financial liabilities

(₹ In Millions, unless otherwise stated)

Financial Liabilities	As at 31 March 2026		As at 31 March 2026	
	Foreign currency	Equivalent amount in ₹	Foreign currency	Equivalent amount in ₹
Trade payable				
USD	11.93	1,128.72	8.31	711.22
Euro	0.19	20.66	0.14	13.21
GBP	0.01	1.59	-	-
CHF	-	-	-	-
Packing credit in foreign currency	-	-	-	-
Advance from customer	16.98	1,607.55	20.08	1,718.22
Total	**29.11**	**2,758.52**	**28.53**	**2,442.65**

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

(₹ In Millions, unless otherwise stated)

Currency wise net exposure (Financial Asset -Financial Liability)	As at 31 March 2026		As at 31 March 2025	
	Foreign currency	Equivalent amount in ₹	Foreign currency	Equivalent amount in ₹
USD	(2.27)	(214.52)	12.34	1,056.09
EUR	(0.10)	(11.32)	0.25	23.14
GBP	0.03	4.12	0.07	7.27
CHF	-	0.04	-	0.24
Total	**(2.34)**	**(221.68)**	**12.66**	**1,086.74**

(iv) Sensitivity analysis

(₹ In Millions, unless otherwise stated)

Currency	Impact on profit/equity (10% strengthening)		Impact on profit/equity (10% weakening)	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
USD	(21.45)	10.56	21.45	(10.56)
EUR	(1.13)	0.23	1.13	(0.23)
GBP	0.41	0.07	(0.41)	(0.07)
CHF	-	-	-	-
Total	**(22.18)**	**10.86**	**22.18**	**(10.86)**

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

Particulars	As at 31 March 2026	As at 31 March 2025
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
Total borrowings	**-**	**-**

Sensitivity analysis – Impact on profit before tax / pre-tax equity:

Particulars	As at 31 March 2026	As at 31 March 2025
Increase by 50 basis points	-	-
Decrease by 50 basis points	-	-

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:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Total liabilities	5,515.36	4,869.03
Less: cash and cash equivalents and bank balances	6,647.35	9,126.79
Net debt	**(1,131.99)**	**(4,257.76)**
Total equity	11,870.05	11,541.78
Debt-equity ratio	**(0.10)**	**(0.37)**

41. Ratios as per the Schedule III requirements

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Current Assets	14,618.73	14,443.05
Current Liabilities	5,482.20	4,841.80
Ratio (Times)	**2.67**	**2.98**
% Change from previous period / year	(10.67%)	(16.09%)

With increase in Inventory holding and advance to supplier 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 and non current borrowing

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Total Debt	-	-
Total Equity	11,870.05	11,541.78
Ratio (Times)	**-**	**-**
% Change from previous period / year	-	100.00%

The company has paid off all its borrowings has resulted in the changes.

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Profit for the year	331.62	356.66
Total Equity	11,870.05	11,541.78
Ratio	**2.79%**	**3.09%**
% Change from previous period / year	(9.59%)	(49.23%)

With increase in shareholders’ equity and decrease in profit in during the year,has resulted in the changes.

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Cost of materials consumed	6,876.16	10,803.33
Closing Inventory	4,234.09	1,730.98
Inventory Turnover Ratio	**1.62**	**6.24**
% Change from previous period / year	(73.98%)	(41.10%)

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Credit Sales	7,386.30	11,120.60
Closing Trade Receivables	1,329.80	1,603.60
Trade Receivable Turnover Ratio	**5.55**	**6.93**
Ratio (Days)	**65.71**	**52.63**
% Change from previous period / year	24.85%	(69.23%)

With increase in last quarter billing resulted in change closing trade receivable

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Cost of Material purchased	8,413.50	10,803.33
Closing Trade Payables	1,805.18	852.36
Trade Payables Turnover Ratio	**4.66**	**12.67**
Ratio (Days)	**78.31**	**28.80**
% Change from previous period / year	171.94%	(75.40%)

With increase in trade payable has resulted in the ratio change when compared to previous year.

(g) Net capital Turnover Ratio = Revenue from Operations divided by Net Working Capital=current asset -current liability

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Revenue from operations	7,398.72	11,120.60
Net Working Capital	9,136.53	9,601.25
Ratio (Times)	**0.81**	**1.16**
% Change from previous period / year	(30.08%)	8.61%

With decrease in sales has resulted in the ratio change when compared to previous year.

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Profit for the year	331.62	356.66
Revenue from operations	7,398.72	11,120.60
Ratio (%)	**4.48**	**3.21**
% Change from previous period / year	39.75%	(32.96%)

With different project mix resulted in change in profit ratio.

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Profit/(Loss) Before Tax (A)	499.25	547.68
Forex Loss (B)	24.02	-
Other Income (C)	429.04	675.65
Finance Costs (D)	29.57	99.60
Net Income before Interest (D) = (A)+(B)-(C)+(D)	**123.80**	**(28.37)**
Total Assets (E)	17,385.41	16,410.81
Current Liabilities (F)	5,482.20	4,841.80
Current Investments (G)	-	-
Capital Employed (H)=(E)-(F)-(G)	**11,903.21**	**11,569.01**
Ratio (D)/(H) (%)	**1.04%**	**(0.25%)**
Change in basis point (bps) from previous period / year	**(524.19%)**	**(105.03%)**

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

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
CSR Amount Required to be spent for the year	15.08	16.47
CSR Amount unspent/(Excess spent for set-off) for the past year	(0.08)	(0.05)
	15.00	**16.42**
Spent during the year	15.18	16.50
Amount unspent/(Available for set-off in succeeding financial year)	(0.18)	(0.08)

Amount spent during the year

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
JSS Mahavidyapeetha	5.00	14.50
Sri Sai Karunamayi deva charitable Trust R	-	-
Shree Ganesh Seva Trust for Exceptional Persons	-	1.00
Sanmitra Trust	-	1.00
Vega Auto Accessories Ltd (Helments Isusued to police Department)	0.18	-
Sri Vyasateertha Vidyapeeta Trust	7.00	-
Shri Sode Vadiraja Mutt Education Trust	2.50	-
Keshavlal V. Bodani Education Foundation	0.50	-
Total	**15.18**	**16.50**

44. Pending Litigation

(₹ In Millions, unless otherwise stated)

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	5.04	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	120.32	-	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. Joint Venture

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 April 21, 2025 and incorporated a company named as ELTX Systems Ltd on October 10, 2025 in India.

46. Regrouping

Previous year's figures have been regrouped/reclassified wherever necessary to confirm current year's presentation. The Company does not have any Exceptional Item to report for the current period.

47. Approval of Financial Statements

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, 2026.

As per our report of even date attached.

For
NBS & Co.
Chartered Accountants
FRN: 110100W

CA. Pradeep Shetty
Partner
M No: 046940
Place: Bengaluru
Date: 27-05-2026
UDIN: 26046940PYHISM5584

For and on behalf of the Board of Directors of
DCX Systems Limited

Dr. H S Raghavendra Rao
Chairman and Managing Director
DIN: 00379249

Ramegowda Shiva Kumar
Executive Director
DIN: 08678987

Prasanna Kumar T S
Chief Financial Officer
Place: Bengaluru
Date: 27-05-2026

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

Opinion

We have audited the accompanying Consolidated Financial Statements of DCX Systems Limited (Formerly known as DCX Cable Assemblies Pvt Ltd) ("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, 2026, 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, 2026, 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.

Emphasis of Matters

a. We draw attention to point No 3 of Note 1, Significant Accounting Policies forming part of financial statements to the Consolidated Financial Statements relating to the substantial reduction in export sales during the year arising from lower business volumes from the overseas customer. Our opinion is not modified in respect of this matter.

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, 2026. 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 statement of 2 subsidiaries whose financial statements excluding consolidation eliminations reflects the Group's share of total assets of Rs. 7,957.41 million as at March 31, 2026, Group's share of net assets of Rs. 5,367.65 million and

Group's share of total Revenue of Rs. 44.27 million and net cash flows of Rs. 365.15 million for the year ended March 31, 2026 on that date as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include Group's share in Net profit / (loss) using equity method of Rs. (0.48) millions for the year ended March 31, 2026, in respect of one associate. 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 March 31, 2026 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 March 31, 2026 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. 44 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 March 31, 2026.

        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 Shetty
Partner
Membership No. 046940
UDIN: 26046940ZOZOXH5291
Place: Bengaluru
Date: 27-05-2026

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 (Formerly known DCX Cables Assemblies Pvt Ltd)** for the year ended March 31, 2026)

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 (Formerly known DCX Cables Assemblies Pvt Ltd) ("the Holding Company") as of March 31, 2026 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, 2026, 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 Shetty
Partner
Membership No. 046940
UDIN: 26046940ZOZOXH5291
Place: Bengaluru
Date: 27-05-2026

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ In Millions, unless otherwise stated)

	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	2	637.80	621.75
Capital work-in-progress	2	-	-
Right-of-use assets	3	64.84	71.73
Other intangible assets	4	4,138.22	2,771.81
Financial assets			
(i) Investments	5	0.44	-
(ii) Other financial assets	6	28.71	50.16
Deferred tax assets (net)	31 (d)	24.69	14.68
Other non-current assets	7	0.50	0.50
Total non-current assets		**4,895.20**	**3,530.63**
Current assets			
Inventories	8	5,369.83	2,889.68
Financial assets			
(i) Trade receivables	9	1,344.04	1,651.89
(ii) Cash and cash equivalents	10	1,139.80	1,938.28
(iii) Bank balances other than (ii) above	11	6,508.60	8,096.69
(iv) Other financial assets	12	16.33	8.84
Current tax assets (net)	31 (c)	-	-
Other current assets	13	1,760.95	924.66
Total current assets		**16,139.55**	**15,510.04**
Total assets		**21,034.76**	**19,040.67**
EQUITY & LIABILITIES			
Equity			
Equity share capital	14	222.78	222.78
Other equity	15	14,907.42	13,529.53
Total equity		**15,130.20**	**13,752.31**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Long Term Borrowings	16	-	-
(ii) Provisions	17	37.13	29.52
(iii) Lease Liabilities	18 (a)	7.57	22.08
Total non-current liabilities		**44.70**	**51.60**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	-	0.23
(ii) Trade payables	19	-	-
a) total outstanding dues of MSME		28.90	9.52
b) total outstanding dues of creditors other than MSME		2,072.10	1,002.22
(iii) Other financial liabilities	20	71.59	232.76
Other current liabilities	21	3,529.25	3,857.40
Provisions	22	4.58	1.12
Lease Liabilities	22 (a)	21.64	15.22
Current tax liabilities (net)	31 (c)	131.80	118.29
Total current liabilities		**5,859.86**	**5,236.76**
Total liabilities		**5,904.56**	**5,288.36**
Total equity and liabilities		**21,034.76**	**19,040.67**

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

CA. Pradeep Shetty
Partner
M No: 046940
Place: Bengaluru
Date: 27-05-2026
UDIN: 26046940ZOZOXH5291

For and on behalf of the Board of Directors of
DCX Systems Limited

Dr. H S Raghavendra Rao
Chairman and Managing Director
DIN: 00379249

Ramegowda Shiva Kumar
Executive Director
DIN: 08678987

Prasanna Kumar T S
Chief Financial Officer
Place: Bengaluru
Date: 27-05-2026

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 2026	For the year ended 31 March 2025
Income			
Revenue from operations	23	7,433.44	10,836.71
Other Income	24	451.33	800.26
Total income		**7,884.77**	**11,636.97**
Expenses			
Cost of materials Consumed	25	8,322.47	10,359.71
Changes in inventories of finished goods and work-in-progress	26	(1,537.33)	-
Employee benefit expenses	27	400.69	233.62
Finance cost	28	33.08	108.94
Depreciation and amortisation expenses	29	153.38	133.71
Other expenses	30	418.69	197.26
Total expenses		**7,790.98**	**11,033.24**
Profit / (loss) before Exceptional Items, and Tax		93.79	603.73
Profit before exceptional items and tax		**93.79**	**603.73**
Exceptional items		-	-
Profit before Share in Profit / (Loss) of Associates and Tax Expense		**93.79**	**603.73**
Share in Profit / (Loss) of Associate (net of Tax expense)		(0.48)	-
Profit before Tax Expense		**93.31**	**603.73**
Tax expense:	31	-	-
Current tax		180.47	209.39
Deferred tax		(10.05)	(9.08)
Mat Credit		-	14.66
Total Tax Expenses		**170.42**	**214.97**
Profit for the period (A)		**(77.11)**	**388.76**
Other comprehensive (loss) / income			
i. Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		0.18	(1.84)
(ii) Income tax relating to remeasurements of defined benefit liability / (asset)		(0.03)	0.64
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		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
(iii) Exchange differences on translating the financials		1,201.43	86.79
iii. Items that will be reclassified subsequently to profit or loss;			
(i) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other comprehensive income (B)		**1,201.58**	**85.59**
Total comprehensive income for the period (A+ B)		**1,124.47**	**474.35**
Profit attributable to:			
Owners of the Company	100%	(77.11)	388.76
Non-controlling interests	0%	-	-
Other Comprehensive Income attributable to:			
Owners of the Company	100%	1,201.58	85.59
Non-controlling interests	0%	-	-
Total comprehensive income attributable to:			
Owners of the Company		1,124.47	474.35
Non-controlling interests		-	-
Earnings per equity share [nominal value of Rs. 2]			
Earnings per equity share for Continuing operations			
- Basic (Rs.)		(0.69)	3.49
- Diluted (Rs.)		(0.69)	3.49
Earnings per equity share for discontinued operations			
- Basic (Rs.)		-	-
- Diluted (Rs.)		-	-
Earnings per equity share for discontinued and continuing operations			
- Basic (Rs.)		(0.69)	3.49
- Diluted (Rs.)		(0.69)	3.49
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

CA. Pradeep Shetty
Partner
M No: 046940
Place: Bengaluru
Date: 27-05-2026
UDIN: 26046940ZOZOXH5291

For and on behalf of the Board of Directors of
DCX Systems Limited

Dr. H S Raghavendra Rao
Chairman and Managing Director
DIN: 00379249

Ramegowda Shiva Kumar
Executive Director
DIN: 08678987

Prasanna Kumar T S
Chief Financial Officer
Place: Bengaluru
Date: 27-05-2026

Gurumurthy Hegde
Company Secretary
Membership No: A24285

CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
A. Cash flow from operating activities		
Profit before tax	93.79	603.73
Adjustments to reconcile profit before tax to net cash flows:		
Interest on fixed deposits	(448.78)	(616.13)
Profit on sale of fixed assets	-	-
Interest on borrowings	-	71.35
Depreciation and amortisation expense	153.38	133.71
Exchange differences on translating the financials	1,201.43	86.79
Lease liability interest expenses paid	-	1.86
Remeasurements of defined benefit	0.18	(1.84)
Operating profit before working capital changes	**1,000.00**	**279.47**
Movement in working capital:		
(Increase) / Decrease in trade receivables	307.85	5,018.82
(Increase) / Decrease in inventories	(2,480.14)	(854.71)
(Increase) / Decrease in other current assets	751.80	(8,322.07)
(Increase) / Decrease in other non-current financial assets	21.45	(12.89)
(Increase) / Decrease in other current financial assets	(7.49)	(8.68)
Increase / (Decrease) in trade payables	1,089.26	(2,908.36)
Increase / (Decrease) in non-current provisions	7.61	14.17
Increase / (Decrease) in current provisions	3.46	0.41
Increase / (Decrease) in other current financial liabilities	(161.16)	212.85
Increase / (Decrease) in other current liabilities	(328.14)	3,535.80
Increase / (Decrease) in other non-current lease liabilities	(14.52)	22.08
Increase / (Decrease) in current lease liabilities	-	-
Cash generated from operations	**189.98**	**(3,023.11)**
Net income tax (paid)	(166.95)	(114.56)
Net cash from operating activities (A)	**23.03**	**(3,137.67)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment and Other Intangible assets	(1,528.98)	(3,000.15)
Proceeds from disposal of property, plant and equipment	-	-
Investment in Subsidiary	(0.93)	-
Interest received	448.78	616.13
Lease liability interest expenses paid	-	(1.86)
Net cash used in investing activities (B)	**(1,081.13)**	**(2,385.88)**
C. Cash flows from financing activities		
Working Capital / Term Loan	(0.23)	(2,905.73)
Net Proceeds from issue of Shares	(3.35)	-
Fund Raising Expenses	-	(2.77)
Share warrant	256.78	2,018.20
Interest paid	-	(71.35)
Increase / (Decrease) in current lease liabilities	6.42	15.22
Net cash used in financing activities (C)	**259.62**	**(946.43)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**(798.48)**	**(6,469.98)**
Cash and cash equivalents at the beginning of the period / year	1,938.28	8,408.26
Cash and cash equivalents at the end of the period / year	**1,139.80**	**1,938.28**
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	-	-
Balances with bank		
- Current accounts	1,139.80	1,938.28
	1,139.80	**1,938.28**

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

CA. Pradeep Shetty
Partner
M No: 046940
Place: Bengaluru
Date: 27-05-2026
UDIN: 26046940ZOZOXH5291

Dr. H S Raghavendra Rao
Chairman and Managing Director
DIN: 00379249

Ramegowda Shiva Kumar
Executive Director
DIN: 08678987

Prasanna Kumar T S
Chief Financial Officer
Place: Bengaluru
Date: 27-05-2026

Gurumurthy Hegde
Company Secretary
Membership No: A24285

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

2. **Significant accounting policies:**
This note provides a list of the significant accounting policies adopted in the preparation of these 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 2026 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 27, 2026. 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 into 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 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:
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 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 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.

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 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 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 financials 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 life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

Financial Liabilities:
The Company's financial liabilities include trade payable.

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

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.

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 it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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

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

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

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

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

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

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

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

Current and deferred tax is recognized in 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 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 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 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 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.

3. General Note:

The revenue decline for the period was primarily influenced by global geopolitical tensions and have led to significant supply chain disruptions, affecting the availability of critical components and materials essential for production. The airspace was closed for material transportation for considerable amount of time and this also affected movement of personnel which were vital for technical discussions and progressing with the manufacturing. In addition, the suppliers of critical components faced prolonged delays in obtaining necessary export licenses from their state specific authorities. Certain programme also experienced delays due to stringent product technical qualification and certification processes, which are necessary to meet defence compliance and performance standards. Collectively, these factors contributed to the slowdown in revenue realization during the reporting period.

Encouragingly, the situation has begun to improve. Supply chain stability is gradually returning, and key programmes are progressing through their qualification milestones. With these positive developments, we anticipate strong momentum in the upcoming periods and are confident in our ability to make substantial progress in revenue generation.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(a) Equity share capital

	As at 31 March 2026		As at 31 March 2025	
	Number of Shares*	Amount	Number of Shares*	Amount
Balance at the beginning of the reporting year	**111,386,427.00**	**222.78**	**111,386,427.00**	**222.78**
Changes in equity share capital due to prior period errors	-	-	-	-
Balance as the the beginning of the reporting period / year	**111,386,427.00**	**222.78**	**111,386,427.00**	**222.78**
Changes in equity share capital during the period / year	-	-	-	-
Equity Shares issued during the year in consideration for cash	-	-	-	-
Balance at the end of the reporting period / year	**111,386,427.00**	**222.78**	**111,386,427.00**	**222.78**

* Number of shares are presented as absolute number.

(b) Other equity

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
RETAINED EARNINGS		
Balance at the beginning of current reporting year	2,968.99	2,494.64
Total comprehensive income for the year		
Profit for the year	(77.11)	388.76
Other comprehensive income (net of tax)		
- Remeasurements of defined benefit liability / (asset)	0.15	(1.20)
- Hedge Reserve	-	-
- Exchange differences on translating the financials	1,201.43	86.79
Total comprehensive income (A)	**4,093.46**	**2,968.99**
SECURITY PREMIUM		
Balance at the beginning of current reporting year	10,560.54	8,545.11
Proceeds from issue of Shares	-	-
Add: Instrument entirely in the nature of equity (Warrant - Equity - ELTA)	-	2,018.20
Add: Share based reserve	256.78	-
Less: Public issue expenditure	(3.35)	(2.40)
Less: QIP issue expenditure	-	(0.37)
Total Security Premium (B)	**10,813.96**	**10,560.54**
Balance at the end of current reporting year (A + B)	**14,907.42**	**13,529.53**

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

CA. Pradeep Shetty
Partner
M No: 046940
Place: Bengaluru
Date: 27-05-2026
UDIN: 26046940ZOZOXH5291

Dr. H S Raghavendra Rao
Chairman and Managing Director
DIN: 00379249

Ramegowda Shiva Kumar
Executive Director
DIN: 08678987

Prasanna Kumar T S
Chief Financial Officer
Place: Bengaluru
Date: 27-05-2026

Gurumurthy Hegde
Company Secretary
Membership No: A24285

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1 Property, land and equipment

(₹ In Millions, unless otherwise stated)

Description	Server	Computers	Office Equipments	Furniture and Fixtures	Leasehold improvements	Tools & Equipments	Electrical Installations	Plant & Machinery	Building	Vehicle	Moulds & dies	Total Owned assets
GROSS BLOCK												
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**
As at 1 April 2025	**2.17**	**39.30**	**19.77**	**11.77**	**17.06**	**102.85**	**56.05**	**351.76**	**203.63**	**77.71**	**0.01**	**882.09**
Additions	-	12.11	1.84	0.71	1.33	20.20	4.55	89.59	2.54	-	1.09	133.95
Disposals during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Forex as per Ind AS 21	-	0.84	0.12	-	-	19.76	-	-	-	-	(0.35)	20.37
As at 31 March 2026	**2.17**	**52.25**	**21.73**	**12.49**	**18.39**	**142.80**	**60.60**	**441.35**	**206.17**	**77.71**	**0.74**	**1,036.41**
ACCUMULATED DEPRECIATION												
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	-	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**	**34.42**	**-**	**260.34**
As at 1 April 2025	**1.11**	**18.95**	**3.90**	**4.78**	**8.50**	**18.05**	**20.34**	**101.66**	**48.64**	**34.42**	**-**	**260.35**
Depreciation for the period / year	0.41	15.95	7.25	1.82	2.51	17.03	9.95	54.95	14.80	13.53	0.06	138.26
Disposals during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2026	**1.52**	**34.91**	**11.15**	**6.60**	**11.01**	**35.08**	**30.29**	**156.61**	**63.44**	**47.94**	**0.06**	**398.61**
NET BLOCK												
As at 31 March 2026	**0.65**	**17.34**	**10.58**	**5.89**	**7.38**	**107.72**	**30.31**	**284.74**	**142.73**	**29.77**	**0.69**	**637.80**
As at 31 March 2025	**1.07**	**20.35**	**15.87**	**7.01**	**8.56**	**84.80**	**35.71**	**250.09**	**154.99**	**43.29**	**0.01**	**621.75**

Title deeds of Immovable Properties

Descriptions	As at 31 March 2026	As at 31 March 2025
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

(₹ In Millions, unless otherwise stated)

Particulars	As at 01 April 2025	Additions	Capitalised during the period / year	As at 31 March 2026
Capital work-in-progress	-	-	-	-
	-	**-**	**-**	**-**

Capital work-in-progress as at 31 March 2026

Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years
	-	-	-	-

(₹ In Millions, unless otherwise stated)

Particulars	As at 01 April 2024	Additions	Capitalised during the period / year	As at 31 March 2025
Capital work-in-progress	-	-	-	-
	-	**-**	**-**	**-**

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
	-	-	-	-

3. Right-of-use assets

(₹ In Millions, unless otherwise stated)

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
Descriptions	As at April 1, 2025	Charge for the period / year	Disposals during the year	As at March 31, 2026	As at April 1, 2025	Charge for the period / year	Disposals during the year	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026
Leasehold Land	71.73	1.51	6.59	79.83	9.18	14.99	-	24.17	62.54	64.84
	71.73	**1.51**	**6.59**	**79.83**	**9.18**	**14.99**	-	**24.17**	**62.54**	**64.84**

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
Descriptions	As at April 1, 2024	Charge for the period / year	Disposals during the year	As at March 31, 2025	As at April 1, 2024	Charge for the period / year	Disposals during the year	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025
Leasehold Land	43.00	44.27	6.36	80.91	-	9.18	-	9.18	43.00	71.73
	43.00	**44.27**	**6.36**	**80.91**	**-**	**9.18**	**-**	**9.18**	**43.00**	**71.73**

4 Other intangible assets

(₹ In Millions, unless otherwise stated)

	Computer Software	Total
GROSS BLOCK		
As at 1 April 2025	**2,781.77**	**2,781.77**
Additions	303.91	303.91
Disposals during the period / year	-	-
Forex as per Ind AS 21	1,063.89	1,063.89
As at 31 March 2026	**4,149.57**	**4,149.57**
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**
AMORTISATION		
As at 1 April 2025	**9.96**	**9.96**
Amortisation for the period / year	1.38	1.38
Disposal during the period / year	-	-
As at 31 March 2026	**11.33**	**11.33**
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**
NET BLOCK		
As at 31 March 2026	**4,138.22**	**4,138.22**
As at 31 March 2025	**2,771.81**	**2,771.81**

5 Investments

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Investment measured at cost		
Investment in wholly owned subsidiary (unquoted investments)		
Addition: During the year company invested in ELTX SYSTEMS PVT LTD Rs 9,25,000.	0.44	-
	0.44	-
(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

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Fixed deposits with banks with maturity of more than 12 months	-	-
Receivables on account of lease	6.53	8.42
Other deposits	0.44	0.01
SBI Gratuity Trust	19.52	14.94
Security deposits	2.22	26.79
	28.71	**50.16**

7 Other non-current assets

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Capital advances	0.50	0.50
	0.50	**0.50**

8 Inventories

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
(valued at lower of cost and net realisable value)		
Raw Material	3,832.50	2,889.68
Stock in trade	-	-
Finished goods	-	-
Work in progress	1,537.33	-
	5,369.83	**2,889.68**

9 Trade receivables

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
(Unsecured)		
Trade receivables considered good	1,344.04	1,651.89
Trade receivables - credit impaired	-	-
Less: Allowance for doubtful receivables	-	-
	1,344.04	**1,651.89**
The above amount includes:		
Others	1,344.04	1,651.89
Receivable from related parties	-	-
	1,344.04	**1,651.89**

Ageing of trade receivables from the due date of payment:
As at 31 March 2026

(₹ In Millions, unless otherwise stated)

	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed trade receivables - considered good	1,319.28	1.08	18.44	-	5.24	1,344.04
(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	-	-	-	-	-	-
	1,319.28	**1.08**	**18.44**	**-**	**5.24**	**1,344.04**

As at 31 March 2025

(₹ In Millions, unless otherwise stated)

	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed trade receivables - considered good	1,579.88	-	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	**-**	**72.01**	**-**	**-**	**1,651.89**

10 Cash and cash equivalents

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Balances with banks		
Current accounts	1,139.80	1,329.07
In deposit account (maturity less than 3 months)	-	-
Term deposits account	-	609.21
Cash in hand	-	-
	1,139.80	**1,938.28**

11 Bank balances other than cash and cash equivalents

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Other bank balances		
Deposits with original maturity of more than 3 months (₹1,240.00 Mn Kept as margin money with Banks and ₹374.72 Mn Unutilized proceeds from IPO and ₹2,769.29 Mn Unutilized proceeds from QIP)	6,508.60	8,096.69
Deposit - Kept as margin money against LC	-	-
	6,508.60	**8,096.69**

12 Other current financial assets

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Interest receivable (from fixed deposits with banks)	0.01	4.94
RoDTEP Receivables	12.41	-
MEIS incentive receivables	-	-
Share amount receivables	-	-
Lease Deposit	3.90	3.90
	16.33	**8.84**

13 Other current assets

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Advances to suppliers	1,448.54	828.98
Advances to suppliers - Subsidiary	-	-
Advance salary	0.17	0.09
Balances with statutory/government authorities	281.97	85.24
Expenses relating to Public Issue	-	-
Prepaid expenses	10.11	10.35
Advance for land - KIADB	20.17	-
	1,760.95	**924.66**

14 Share capital

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Authorised:		
125,000,000 Equity Shares of ₹2/- Each (31 March 2022: 3,500,000 equity shares of ₹10/- each.)	250.00	250.00
	250.00	**250.00**
Issued and subscribed and paid up:		
Equity Share Capital		
11,13,86,427 equity shares of ₹2/-each	222.78	222.78
	222.78	**222.78**

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

Equity share	As at 31 March 2026 Number of Shares*	As at 31 March 2025 Number of Shares*
Outstanding at the beginning of the year / period	111,386,427.00	111,386,427.00
Equity Shares issued during the year in consideration for cash		
IPO	-	-
Qualified Institutional Placement (QIP)	-	-
Total number of shares before Sub Division	**111,386,427.00**	**111,386,427.00**
Outstanding at the end of the year	**111,386,427.00**	**111,386,427.00**

* Number of shares are presented as absolute number.

Bonus Issue of shares:

Company issued Bonus shares in the ratio of 3:1 totaling to 5,80,50,000 shares during the FY 2021-22.

Terms / Rights attached to each class of shares

Rights, preferences and restrictions attached to equity and preference shares

Equity Shares	
As to dividend	The Shareholders are entitled to receive dividend in proportion to the amount of paid-up equity shares held by them. The Company has not declared any dividend during the year.
As to repayment of capital	In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
As to voting	The Company has Equity Shares of Rs. 2.00 each and each holder of the equity share is entitled to one vote per share.

Shareholders holding more than 5% shares in the Company:

	As at 31 March 2026 Equity shares of ₹ 2 each fully paid			As at 31 March 2025 Equity shares of ₹ 2 each fully paid		
	Number of Shares*	% of Shares	Changes in % of Shares	Number of Shares*	% of Shares	Changes in % of Shares
M/s Raneal Technologies Pvt Ltd**	31,884,542	28.63%	0.00%	31,884,542	28.63%	100.00%
M/s NCBG Holdings Inc	22,407,242	20.12%	(4.68%)	27,629,442	24.80%	(3.83%)
Dr. H S Raghavendra Rao	-	-	-	-	-	-

Promoters' shareholding in the Company

	As at 31 March 2026 Equity shares of ₹ 2 each fully paid			As at 31 March 2025 Equity shares of ₹ 2 each fully paid		
	Number of Shares*	% of Shares	Changes in % of Shares	Number of Shares*	% of Shares	Changes in % of Shares
M/s Raneal Technologies Pvt Ltd**	31,884,542	28.63%	0.00%	31,884,542	28.63%	100.00%
M/s NCBG Holdings Inc	22,407,242	20.12%	(4.68%)	27,629,442	24.80%	(3.83%)
Dr. H S Raghavendra Rao	3,812,558	3.42%	0.00%	3,812,558	3.42%	(1.62%)

* Number of shares is presented as absolute number.

** Pursuant to merger scheme approved by NCLT, Ahmedabad Bench vide its order dated 11-12-2024, the Company merged with Raneal Technologies Pvt Ltd.

15 Other equity

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Reserves and surplus		
A. Retained earnings	4,093.46	2,968.99
B. Securities premium	10,813.96	10,560.54
	14,907.42	**13,529.53**
A. Retained earnings		
Balance at the beginning of current reporting year	**2,968.99**	**2,494.64**
Profit for the year	(77.11)	388.76
Less: Utilized for issue of Balance Bonus Shares		
Other comprehensive (loss) / income		
- Remeasurements of defined benefit liability / (asset) (net of tax)	0.15	(1.20)
- Hedge Reserve	-	-
- Exchange differences on translating the financials	1,201.43	86.79
	4,093.46	**2,968.99**
B. Securities premium		
Opening balance	**10,560.54**	**8,545.11**
Add: Proceeds from issue of Shares	-	-
Add: Instrument entirely in the nature of equity (Warrant - Equity - ELTA)	-	2,018.20
Add : Share-Based Payment Reserve	256.78	-
Less: Public issue expenditure	(3.35)	(2.40)
Less: QIP issue expenditure	-	(0.37)
	10,813.96	**10,560.54**

16 Long Term Borrowings

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Secured Term Loan	-	-
	-	-
Term Loan with tenure of 72 months with Initial 12 months moratorium and interest at 10.25 ~10.44%		

17 Provisions

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits		
Gratuity (Refer note no. 37 for further disclosures)	22.54	12.47
Leave encashment	14.59	17.05
Other Provisions	-	-
	37.13	**29.52**

18 Borrowings

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Secured		
From Bank		
Working capital loan	-	0.23
Working Capital Demand Loan	-	-
Total	-	**0.23**
Terms and Conditions:		
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

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Lease Liabilities	7.57	22.08
	7.57	**22.08**

19 Trade payables

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 34)	28.90	9.52
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,072.10	1,002.22
	2,101.00	**1,011.74**

Notes: (1) Refer note for related party disclosure.

As at 31 March 2026

(₹ In Millions, unless otherwise stated)

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 (Only Micro Enterprises and Small Enterprises)	28.90	-	-	-	28.90
(ii) Others	2,028.84	26.52	0.88	15.86	2,072.10
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
	2,057.74	**26.52**	**0.88**	**15.86**	**2,101.00**

As at 31 March 2025

(₹ In Millions, unless otherwise stated)

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 (Only Micro Enterprises and Small Enterprises)	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**

20 Other financial liabilities

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Accrued expense payable	4.93	11.28
Employee benefits payable	65.88	44.08
Other payable	0.78	-
Financial Liabilities at amortised cost	-	177.40
	71.59	**232.76**

21 Other current liabilities

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Advance received from customers	3,415.50	3,849.10
Statutory dues payable	113.75	8.30
Rent security Deposits	-	-
	3,529.25	**3,857.40**

22 Provisions

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Provision for gratuity	0.77	0.56
Provision for leave encashment	0.66	0.56
Provision for bonus	3.15	-
Provision for expenses	-	-
	4.58	**1.12**

22 (a) Lease Liabilities

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Lease liabilities	21.64	15.22
	21.64	**15.22**

23 Revenue from operations

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Sale of products	7,414.01	10,807.39
Sale of services	7.02	29.32
RoDTEP	12.41	-
	7,433.44	**10,836.71**

Refer note no. 38 for further disclosures.

24 Other income

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Foreign exchange fluctuation	-	151.74
Interest on fixed deposits	448.78	616.13
LD Charges reversal	-	-
Interest on electricity deposit	-	-
Other income	1.35	0.64
Profit on sale of used Asset	-	-
Rent received	-	-
Interest income on Gratuity trust deposit	1.21	0.96
Remeasurement	-	30.79
	451.33	**800.26**

25 Cost of materials consumed

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening Stock	2,879.77	2,034.98
Import purchases	7,475.53	10,162.92
Local purchases	1,786.80	1,041.58
Less: Closing Stock	3,819.64	2,879.77
	8,322.47	**10,359.71**

26 Changes in inventories of finished goods and work-in-progress

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening inventories		
Finished goods	-	-
Work-in-process	-	-
Total (A)	**-**	**-**
Closing Inventories		
Finished goods	-	-
Work-in-process	1,537.33	-
Total (B)	**1,537.33**	**-**
Total (A-B)	**(1,537.33)**	**-**

27 Employee benefit expenses

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Employee Insurance	0.99	0.51
Encashment of earned leave	3.05	4.95
Gratuity	5.22	4.17
Salaries and wages including bonus, incentives	260.13	216.62
Staff welfare expenses	28.00	7.37
Share based Payment Expense	103.30	-
	400.69	**233.62**

28 Finance costs

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Bank charges	2.15	6.50
Interest on borrowings	-	71.35
Interest on term loan / Working Capital Term Loan	-	-
Other borrowing costs	28.78	21.25
Other Interest Cost	2.15	7.98
Lease liability	-	1.86
	33.08	**108.94**

29 Depreciation and amortisation expense

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Amortisation of intangible assets (refer note 4)	1.38	9.62
Depreciation of property, plant and equipment (refer note 2)	152.01	124.09
	153.38	**133.71**

30 Other expenses

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Manufacturing service cost expenses		
Freight expenses	34.31	20.26
Power and fuel expenses	2.92	2.36
Building (Repairs & maintenance)	5.00	1.74
Machinery & others (Repairs & maintenance)	12.14	3.32
Wages and labour charges	21.58	4.85
Water Charges	0.55	0.29
Administrative and general expenses		
Business promotion expenses	4.29	7.98
Communication expenses	2.52	1.55
Director Sitting Fees	1.58	1.20
Insurance	10.04	7.21
Internal Audit fees	0.86	0.80
Income / (loss) arising from fair valuation of assets through profit & loss	-	-
Net loss on foreign currency translation	175.49	-
Others expenses	54.83	57.47
Professional & consultancy fees	34.33	45.53
Printing and stationery	0.43	0.65
Rent	20.12	7.30
Rates and taxes	22.89	14.18
Remuneration to auditors		
Statutory audit	1.80	1.70
Tax audit	-	-
Travelling and conveyance	13.02	18.87
	418.69	**197.26**

31 Taxes

(a) Statement of profit or loss

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current tax:		
Current income tax charge	180.47	209.39
Deferred tax	(10.05)	(9.08)
MAT Credit Entitlement	-	14.66
Income tax expense reported in the statement of profit or loss	**170.42**	**214.97**

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during the period

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Deferred tax		
Remeasurements gains and losses on post employment benefits	(0.03)	0.64
Income tax recognised in OCI	**(0.03)**	**0.64**

(c) Balance sheet

Current tax assets

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Non-current tax assets	-	-
Current tax assets	-	-
Total tax assets	**-**	**-**

Current tax liabilities

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Income tax (net of advance tax)	131.80	118.29
Total current tax liabilities	**131.80**	**118.29**

(d) Deferred tax liabilities / assets

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Income tax relating to remeasurements of defined benefit liability / (asset)	0.88	0.87
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	17.28	8.94
Gratuity provision	1.62	1.36
Leave encashment	4.38	3.51
MAT Credit / Bonus	0.55	-
Net deferred tax liability / (asset)	**24.69**	**14.68**

32 Earnings Per Share

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Profits attributable to equity shareholders		
Basic Earnings Per Share		
Profit for the year	(77.11)	388.76
Number of equity shares outstanding during the year	111,386,427.00	111,386,427.00
Basic EPS (₹)	**(0.69)**	**3.49**
Diluted Earnings Per Share		
Profit for the year	(77.11)	388.76
Number of equity shares outstanding during the year	111,386,427.00	111,386,427.00
Diluted EPS (₹)	**(0.69)**	**3.49**

Weighted average number of equity shares for Basic and Diluted Earnings Per Share

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Balance at the beginning of the period of ₹2/- each (₹10/- Each for previous year)	111,386,427.00	111,386,427.00
Issued during the period	-	-
Total	**111,386,427.00**	**111,386,427.00**
Adjustment for subdivision of shares	-	-
Bonus Issue of shares during the year	-	-
Weighted average number of equity shares outstanding during the period	**111,386,427.00**	**111,386,427.00**

** Number of shares is presented as absolute number.*

33 Contingent liabilities, contingent assets and commitments

(a) Contingent liabilities

(₹ In Millions, unless otherwise stated)

Particulars	Currency	For the year ended 31 March 2026	For the year ended 31 March 2025
Bank guarantees	INR	5,347.41	4,536.99
Corporate Guarantee provided to wholly owned Subsidiary	INR	1,310.00	1,310.00
Letter of Credit (LC)	INR	-	1,138.17
Pending Income tax litigations	INR	125.37	120.81
Pending GST litigations	INR	14.34	14.34

(b) Commitments

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for	40.00	-
Commitments Pending from IPO Proceeds*	-	-
Commitments Pending from QIP Proceeds	2,000.00	2,830.00

*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

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Principal amount remaining unpaid to any supplier as at the end of the period / year		
Trade payables	28.90	9.52
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 MSMED 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.

35 Related Party Disclosures

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

Sl. No.	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 and Raneal Advanced Systems Pvt Ltd) and Nominee Director of a Associate Company ELTX Systems Private limited.
2	Mr. Neal Jeremy Castleman	Director (during the year upto 08-10-2024)
3	Mr. Anand S	Key Managerial Personnel and was 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 Company merged with Raneal Technologies 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 and Not applicable for FY 2025-26)
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. Diwakaraiah N J	Chief Financial Officer from 11-04-2024 (Executive Director of Company w.e.f 28-06-2024)
11	Mr. Shiva Kumara R	Key Managerial Personnel and Director in DCX System Ltd, Subsidiary and Promoter group company (Director of a DCX Systems limited w.e.f 02-01-2025)
12	Mr. Prasanna Kumar T S	Chief Financial Officer (w.e.f 02-09-2025) and also Chief Financial Officer, Raneal Advanced Systems Pvt. Ltd. (wholly owned subsidiary) from 04-02-2026.
13	Mr. Pramod. B	Key Managerial Personnel and Director of a Promoter group company
14	Mr. G S Manjunath	Key Managerial Personnel
15	Mr. Atul D Mutthe	Key Managerial Personnel
16	Mr. Rajanikanth K N	Key Managerial Personnel
17	Mr. Harsha H.M	Director of a Promoter group Company
18	Mr. Gurumurthy Hegde	Company Secretary, Legal and Compliance Officer (w.e.f 08-02-2024)
19	M/s. NIART Systems Limited	Wholly Owned Subsidiary
20	Mr. Haim Sobal	Director of Wholly Owned Subsidiary, M/s. NIART Systems Limited
21	M/s. ELTX Systems Pvt Ltd	Associate Company
22	Mr. Gopinath Vedaprakash	Whole-Time Director

(b) Related party transactions

(₹ In Millions, unless otherwise stated)

Sl. No.	Related Parties	Nature of transaction	FY 2025-26	FY 2024-25
	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	306.83	78.93
3	M/s. Raneal Advanced Systems Pvt Ltd	Purchase of Raw Materials / Capital goods	3,747.74	2,299.53
	Sales			
4	M/s. DCX Chol Enterprises Inc	Export of Finished Goods	-	-
5	M/s. Raneal Advanced Systems Pvt Ltd	Sale	9.55	4,161.98
	Investment			
6	M/s. Raneal Advanced Systems Pvt Ltd	Investment	-	199.88
7	M/s. NIART Systems Limited	Investment	839.37	1,257.89
8	M/s. ELTX Systems Pvt Ltd	Investment	0.93	-
	Reimbursement of Expenses			
9	M/s. Raneal Advanced Systems Pvt Ltd	Reimbursement of Expenses	4.29	2.52
	Income			
10	M/s. Raneal Advanced Systems Pvt Ltd	Services *	1.90	1.80
	Expenditure			
11	Dr. H.S. Raghavendra Rao	Salary	22.89	22.89
12	Mr. Anand S	Salary	3.97	3.64
13	Mr. Shiva Kumara R	Salary	6.17	5.66
14	Mr. Prasanna Kumar T S	Salary	4.16	3.83
15	Mr. Pramod. B	Salary	3.97	3.64
16	Mr. G S Manjunath	Salary	2.24	2.06
17	Mr. Atul D Mutthe	Salary	2.17	1.84
18	Mr. Rajanikanth K N	Salary	2.14	1.89
19	Mr. Gurumurthy Hegde	Salary	2.31	2.02
20	Mr. Diwakaraiah N J	Salary	2.50	5.83
21	Mr. Gopinath Vedaprakash	Salary	3.96	-
22	Mr. Harsha H.M	Professional Fee	0.78	0.78
23	Mr. Harsha H.M	Reimbursement of expenses	-	0.08
24	Mr. Haim Sobal (Haim Sobal Consulting)	Professional Fee	-	12.66
			4,967.87	**8,075.47**
	Payable / (Receivable) / (Advance)			
25	M/s. DCX Chol Enterprises Inc	Payable / (Receivable)	-	(18.32)
26	M/s. RNSE-TRONICS Pvt Ltd.,	Payable / (Advance)	313.66	(62.04)
27	M/s. Raneal Advanced Systems Pvt Ltd	Payable / (Advance)	(1,879.94)	(1,393.07)
28	Dr. H S Raghavendra Rao	Salary Payable	1.10	1.10
29	Mr. Anand S	Salary Payable	0.25	0.20
30	Mr. Shiva Kumara R	Salary Payable	0.36	0.32
31	Mr. Prasanna Kumar T S	Salary Payable	0.24	0.23
32	Mr. Pramod. B	Salary Payable	0.25	0.22
33	Mr. G S Manjunath	Salary Payable	0.15	0.14
34	Mr. Atul D Mutthe	Salary Payable	0.15	0.10
35	Mr. Rajanikanth K N	Salary Payable	0.15	0.13
36	Mr. Gurumurthy Hegde	Salary Payable	0.16	0.13
37	Mr. Gopinath Vedaprakash	Salary Payable	0.36	-
38	Mr. Diwakaraiah N J	Salary Payable	-	0.38
39	Mr. Harsha H.M	Payable / (Advance)	0.27	0.27
40	M/s. ELTX Systems Pvt Ltd	Payable / (Advance)	(9.40)	-

* 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.

36 Fair value measurements

(c) Categories of financial instruments

As at 31 March 2026

(₹ In Millions, unless otherwise stated)

Particulars	Carrying Amount				Fair Values			
	FVTPL	FVTOCI	Amortised Cost	Total	Level1	Level 2	Level 3	Total
Financial assets								
Trade receivables	-	-	1,344.04	1,344.04				
Cash and cash equivalents	-	-	1,139.80	1,139.80				
Other bank balances	-	-	6,508.60	6,508.60				
Other financial assets	-	-	16.33	16.33				
Total financial assets	**-**	**-**	**9,008.77**	**9,008.77**				
Financial liabilities								
Borrowings	-	-	-	-				
Trade payables	-	-	2,101.00	2,101.00				
Working Capital Term Loan	-	-	-	-				
Other financial liabilities	-	-	71.59	71.59				
Total financial liabilities	**-**	**-**	**2,172.59**	**2,172.59**				

As at 31 March 2025

(₹ In Millions, unless otherwise stated)

Particulars	Carrying Amount				Fair Values			
	FVTPL	FVTOCI	Amortised Cost	Total	Level1	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	-	-	1,011.75	1,011.75				
Working Capital Term Loan	-	-	-	-				
Other financial liabilities	-	-	232.76	232.76				
Total financial liabilities	**-**	**-**	**1,244.73**	**1,244.73**				

(d) 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 amortised cost approximate their fair value (except for which the fair values are mentioned).

37 Details of employee benefits as required by Ind-AS 19 - "Employee benefits"

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

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Provident Fund		
Employer's Contribution	10.97	7.88
Administration charges	0.64	0.48
Employer's Contribution to ESI	0.27	0.17
Total	**11.87**	**8.53**

(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:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Present Value of Benefit Obligation at the Beginning of the Period	18.29	12.34
Interest cost	1.24	0.89
Current service cost	4.08	3.32
Benefits paid	(0.13)	(0.09)
Actuarial (gain) / loss on obligations		
- Due to Change in Financial Assumptions	(1.61)	0.95
- Due to Change in Demographic Assumptions	-	-
- Due to Experience	1.44	0.89
Present value of obligation at the end of the period / year	**23.31**	**18.30**

Changes in the fair value of plan assets:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Fair value of plan assets at the beginning of the period / year	-	-
Interest income	-	-
Contributions	(0.13)	0.09
Mortality charges and taxes	-	-
Benefits paid	0.13	(0.09)
Return on plan assets, excluding amount recognized in Interest Income	-	-
Fair value of Plan assets at end of the period / year	**-**	**-**

Net interest cost for current period:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Interest Cost	1.24	0.89
Interest Income	-	-
Net Interest Cost for Current Period	**1.24**	**0.89**

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Current service cost	4.08	3.32
Net interest (Income) / Expense	1.24	0.89
Net benefit expense	**5.32**	**4.21**

Amount recognised in the statement of other comprehensive income:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Re-measurement for the year - obligation (gain) / loss	(0.18)	-
Re-measurement for the year - plan assets (gain) / loss	-	-
Total re-measurements cost / (credit) for the period recognised in OCI	**(0.18)**	**-**

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

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Defined Benefit Obligation	23.31	18.30
Fair value of plan assets	-	-
Closing net defined benefit liability / (asset)	-	-

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Current	0.77	0.56
Non-Current	22.54	17.73

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

Particulars	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
	Raneal	DCX	DCX + Raneal
Mortality table	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Discount rate	7.63%	6.79%	7.22%
Rate of increase in compensation levels	10.00%	10.00%	10.00%
Withdrawal rate #			
Age up to 30 years	5.00%	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%	5.00%
Age above 50 years	5.00%	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2026:

Assumptions	Defined benefit obligation	
	As at 31 March 2026	
	Increase by 100 bps	Decrease by 100 bps
Delta effect of 1% change in rate of discounting	(2.49)	3.00
Delta effect of 1% change in rate of salary increase	2.32	(2.14)
Delta effect of 1% change in rate of employee turnover	(0.95)	1.56

A quantitative sensitivity analysis for significant assumption as at 31 March 2025:

Assumptions	Defined benefit obligation	
	As at 31 March 2025	
	Increase by 100 bps	Decrease by 100 bps
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

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:

(₹ In Millions, unless otherwise stated)

Duration of defined benefit payments	As at 31 March 2026	As at 31 March 2025
1st Following Year	0.77	0.56
2nd Following Year	0.88	0.62
3rd Following Year	1.23	0.71
4th Following Year	1.09	0.96
5th Following Year	2.64	0.85
After 5th Year	70.31	53.01

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 1 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:

(₹ In Millions, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
Gross Sales (Contracted Price)	7,421.02	10,836.71
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	-	-
Revenue recognised	**7,421.02**	**10,836.71**

(b) Recognition of revenue as per Ind AS 115:

(₹ In Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue recognised at point in time	7,414.01	10,807.39
Revenue recognised over the period	7.02	29.32
Total	**7,421.02**	**10,836.71**

(c) Revenue from products:

(₹ In Millions, unless otherwise stated)

Country / Region	For the year ended 31 March 2026	For the year ended 31 March 2025
Exports	4,322.37	9,049.27
Deemed Exports	3,012.49	1,694.30
Domestic	79.15	63.82
Total revenue	**7,414.01**	**10,807.39**

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 financials 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.

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Total current assets (A)	16,139.55	15,510.04
Total current liabilities (B)	5,859.86	5,236.76
Working capital (A-B)	**10,279.69**	**10,273.28**
Current Ratio	**2.75**	**2.96**

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

(₹ In Millions, unless otherwise stated)

	As at 31 March 2026			
		Contractual Cashflows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	-	-	-	**-**
Trade payables	2,101.00	1,930.06	170.96	**2,101.02**
Other liabilities	71.59	70.31	1.27	**71.58**

(₹ In Millions, unless otherwise stated)

	As at 31 March 2025			
		Contractual Cashflows		
	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**

(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

(₹ In Millions, unless otherwise stated)

Financial Asset	As at 31 March 2026		As at 31 March 2025	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade Receivables				
USD	16.74	1,584.38	23.19	1,984.52
Advance to suppliers				
USD	2.60	245.67	3.80	325.24
Euro	0.12	12.74	0.39	36.35
GBP	0.05	5.71	0.07	7.27
CHF	-	0.04	-	0.24
Balance with banks - in EEFC accounts - USD	10.95	1,036.33	14.59	1,248.79
Total	**30.45**	**2,884.88**	**42.04**	**3,602.41**

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

(ii) Financial liabilities

(₹ In Millions, unless otherwise stated)

Financial Liabilities	As at 31 March 2026		As at 31 March 2025	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade payable				
USD	14.54	1,376.46	10.09	863.12
Euro	0.19	20.66	0.14	13.21
GBP	0.01	1.59	-	-
CHF	-	-	-	-
Advance from customer - USD	16.98	1,607.55	20.08	1,718.22
Total	**31.73**	**3,006.26**	**30.31**	**2,594.55**

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

(₹ In Millions, unless otherwise stated)

Currency wise net exposure (asset – liabilities)	As at 31 March 2026		As at 31 March 2025	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD	(1.24)	(117.63)	11.42	977.22
EUR	(0.07)	(7.92)	0.25	23.14
GBP	0.03	4.12	0.07	7.27
CHF	-	0.04	-	0.24
Total	**(1.28)**	**(121.38)**	**11.74**	**1,007.87**

(iv) Sensitivity analysis

(₹ In Millions, unless otherwise stated)

	Impact on profit / equity (10% strengthening) As at 31 March 2026	Impact on profit / equity (1% strengthening) As at 31 March 2025	Impact on profit / equity (10% weakening) As at 31 March 2026	Impact on profit / equity (1% weakening) As at 31 March 2025
USD	(11.76)	9.77	11.76	(9.77)
EUR	(0.79)	0.23	0.79	(0.23)
GBP	0.41	0.07	(0.41)	(0.07)
CHF	-	-	-	-
Total	**(12.14)**	**10.07**	**12.14**	**(10.07)**

(2) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flow 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 types of borrowing 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:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Variable rate borrowings	-	0.23
Fixed rate borrowings	-	-
Total borrowings	**-**	**0.23**

Sensitivity analysis - Impact on profit before tax / pre-tax equity:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Increase by 50 basis points	-	-
Decrease by 50 basis points	-	-

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:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Total liabilities	5,904.56	5,288.36
Less: cash and cash equivalents and bank balances	7,648.40	10,034.97
Net debt	(1,743.84)	(4,746.60)
Total equity	15,130.20	13,752.31
Debt-equity ratio	**(0.12)**	**(0.35)**

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 confirm 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, 2026.

44 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements (refer para 2 of division 2 to Schedule 3 of the Companies Act, 2013)

(₹ In Millions, unless otherwise stated)

Name of entity	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total other comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit or loss	Amount	% of consolidated other compr-ehensive income	Amount	% of consolidated total compr-ehensive income	Amount
Parent								
DCX Systems Limited	78.45	11,870.06	(430.04)	331.63	(10.02)	(0.01)	133.96	1,609.67
Adjustment arising out of consolidation - Equity investment								
Indian subsidiaries								
Raneal Advanced Systems Private Limited	1.29	195.42	12.31	9.50	110.02	0.16	0.80	9.66
Foreign subsidiaries								
NIART Systems Limited	20.26	3,065.20	541.73	(417.75)	-	-	(34.77)	(417.75)
Associate								
ELTX Systems Private Limited	-	(0.48)	0.63	(0.48)	-	-	-	-
Total	**100.00**	**15,130.20**	**100.00**	**(77.11)**	**100.00**	**0.15**	**100.00**	**1,201.58**

45. Pending Litigation

(₹ In Millions, unless otherwise stated)

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	5.04	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	120.32	-	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

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 April 21, 2025 and incorporated a company named as M/s. ELTX Systems Pvt Ltd on October 10, 2025 in India.

46B 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:

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Payable in less than one year	21.64	15.22
Payable between one and five years	7.57	22.08
Payable after more than five years	-	-
Total	**29.21**	**37.30**

2. Amounts recognised in profit or loss

(₹ In Millions, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Lease expense - minimum lease payments	1.71	4.31

As per our report of even date attached

For
NBS & Co.
Chartered Accountants
FRN: 110100W

CA. Pradeep Shetty
Partner
M No: 046940
Place: Bengaluru
Date: 27-05-2026
UDIN: 26046940Z0Z0XH5291

For and on behalf of the Board of Directors of
DCX Systems Limited

Dr. H S Raghavendra Rao
Chairman and Managing Director
DIN: 00379249

Ramegowda Shiva Kumar
Executive Director
DIN: 08678987

Prasanna Kumar T S
Chief Financial Officer
Place: Bengaluru
Date: 27-05-2026

Gurumurthy Hegde
Company Secretary
Membership No: A24285

NOTICE OF 15TH ANNUAL GENERAL MEETING

Notice is hereby given that the **15th (Fifteenth)** Annual General Meeting (AGM) of the Members of the Company will be held on **Monday, September 28, 2026, 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, 2026, 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, 2026, together with the reports of the Board and Auditor's thereon be and are hereby, considered and adopted."

2. **Appointment of Mr. Gopinath Vedaprakash (DIN: 11241863) as 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. Gopinath Vedaprakash (DIN: 11241863) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby reappointed as Director of the Company, who is liable to retire by rotation."

SPECIAL BUSINESS:

3. **Ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2027:**

   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 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the remuneration of ₹200,000/- (Rupees Two Lakhs only), exclusive of applicable taxes and reimbursement of actual out-of-pocket expenses, payable to M Ashok Kumar, Cost Accountant (Firm Registration No.102240), appointed by the Board of Directors as the Cost Auditors of the Company based on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31 March 2027, be and is hereby ratified."

By order of the Board of Directors
For **DCX Systems Limited**

Gurumurthy Hegde
Company Secretary, Legal and Compliance Officer
M. No. A24285

Place: Bengaluru
Date: 12.08.2026

Registered Office:
Aerospace SEZ Sector, Plot Nos.29,30 and 107,
Hitech Defence and Aerospace Park, Kavadadasanahalli,
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 resolution vide item No. 3 of the Notice of this 15th 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 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. 03/2025 dated September 22, 2025, read with previous circulars issued by the Ministry of Corporate Affairs (the 'MCA') and the Circulars issued from time to time by Securities Exchange Board of India ('SEBI') (hereinafter collectively referred to as "the 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 15th 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 21, 2026. Members may visit www.instameet.in.mpms.mufg.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.mufg.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) Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.

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 www.dcxindia.com/investors/annual-report/, 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 www.instameet.in.mpms.mufg.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 Thursday, September 24, 2026 from 9.00 a.m.

and ends on Sunday, September 27, 2026 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 Monday, September 21, 2026 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."

g) REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

In terms of SEBI circular no. SEBI/HO/CFD /PoD2/CIR/P/0155 dated November 11, 2024, 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 remote e-Voting facility.

LOGIN METHOD FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE:

Individual Shareholders holding securities in demat mode with NSDL

METHOD 1 - 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.

METHOD 2 - 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) Enter IDeAS User ID, Password, Verification code & click on "Log-in".

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 & 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'

d) Post successful registration, user will be provided with Login ID and password.

Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.	Google Play App Store

e) Follow steps given above in points (a-d).

METHOD 3 - 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 & 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 holding securities in demat mode with CDSL

METHOD 1 - 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.

METHOD 2 - CDSL EASI/ EASIEST FACILITY:

Shareholders registered for Easi/ Easiest facility:

a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or Visit URL: www.cdslindia.com, click on "Login" and select "My Easi New (Token)".

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/Home/EasiRegistration / https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration.

b) Proceed with updating the required fields for registration.

c) Post successful registration, user will be provided username and password on the registered email id. Follow steps given above in points (a-c).

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 on 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

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 Event No + Folio no. registered with the Company

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")

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:

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 Event No + Folio no. registered with the Company

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 'point 4' above.
    - o Shareholders, holding shares in **CDSL form**, shall provide 'point 3' or 'point 4' above.
    - o Shareholders, holding shares in **physical form** but have not recorded 'point 3' and 'point 4', shall provide their Folio number in 'point 4' above
5. Set the password of your choice. (The password should contain <u>minimum 8 characters</u>, at least <u>one special Character</u> (!#$&*), at least <u>one numeral</u>, at least <u>one alphabet</u> and at least <u>one capital letter</u>).
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).

STEP 2: Steps to cast vote for Resolution 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.

Non-Individual Body corporate shareholders shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at enotices@in.mpms.mufg.com and the company at registered email address.

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

a) **Visit URL:** https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) After successful login, you will see "Notification for e-voting".

c) Select "View" icon for "Company's Name / Event number".

d) E-voting page will appear.

e) Download sample vote file from "Download Sample Vote File" tab.

f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.

g) 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).

NOTE: Non-Individual Body corporate shareholders shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at enotices@in.mpms.mufg.com and the company at registered email address.

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:

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Individual 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.
- Further Click on "**forgot password**?"
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

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 Event No + Folio no. registered with the Company

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
- Further Click on "**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 at company's registered email address.

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:

a) Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.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 Thursday, September 24, 2026 and the registration as speaker closes on Sunday, September 27, 2026 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 21, 2026 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.mufg.com.

INFORMATION AT A GLANCE - KEY DETAILS FOR THE ANNUAL GENERAL MEETING

Particulars	Details
Day, Date and time of the AGM	Monday, September 28, 2026 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.mufg.com
Link for remote e-voting	https://instavote.linkintime.co.in
Cut-Off date for e-voting	Monday, September 21, 2026
E-Voting start date and time	Thursday, September 24, 2026 from 9.00 a.m.
E-Voting end date and time	Sunday, September 27, 2026 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.mufg.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3: Ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2027:

The Board of Directors, on the recommendation of the Audit Committee, at their meeting held on August 12, 2026 has appointed M Ashok Kumar, Cost Accountant (Firm Registration No.102240), as the Cost Auditors for conducting the audit of the cost records of the Company for the financial year ending 31 March 2027.

The Company is required to maintain cost records and conduct cost audit in accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as the applicable turnover thresholds have been met.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the members of the Company. Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2027.

The Board has approved remuneration of ₹ 200,000/- (Rupees Two Lakhs only), exclusive of applicable taxes and reimbursement of actual out-of-pocket expenses, payable to the Cost Auditors for the financial year 2026-27.

Accordingly, the Ordinary Resolution as set out in Resolution No. 3 of the Notice is placed before the members for their approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution.

The Board of Directors recommends the Ordinary Resolution for approval by the members.

DETAILS OF MR. GOPINATH VEDAPRAKASH (DIN:11241863), DIRECTOR, SEEKING RE-APPOINTMENT AT THE 15TH 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	Whole-Time Director
Date of Birth	May 22, 1966
Age	60 Years
Date of first appointment on the Board	September 01, 2025
Qualifications	Bachelor's degree in Electronics Engineering
Profile, Experience and Expertise	Mr. Gopinath Vedaprakash has 38 years of rich experience & expertise in Business Development, Manufacturing Operations & Technical with Multicultural & Multinational Electronics Industries catering to Defence, Aerospace, Space, Industrial & Transportation verticals. 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. 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.
Details of remuneration last drawn	₹ 6,00,000/- P.M. (CTC) as of July 2026
Remuneration proposed to be paid	₹ 6,00,000/- P.M. (CTC)
Terms and Conditions of appointment	As mentioned in the resolution in Item No.2 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 2025-26	He attended all 4 Board Meetings which were held after his appointment to the Board of the Company.

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DCX

Aerospace SEZ Sector, Plot No 29, 30 & 107,
Hi-Tech Defence & Aerospace Park, KIADB Industrial
Area, Devanahalli, Bangalore, Karnataka 562110. India

Contact:
Ph: +91 80 6711 9555

Email:
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Websites:
www.dcxindia.com

Concept, Content & Designed:
VALUE X hello@valuexir.com