

August 28, 2026

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001.

Scrip Code: 544684

Dear Sir/Madam,

Sub: Notice of the 15th Annual General Meeting (“AGM”) and Annual Report for the FY 2025-26.

Pursuant to Regulations 34(1) read with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the following documents, which are being sent today through electronic mode to the Shareholders of the Company relating to the 15th Annual General Meeting of the Company scheduled to be held on Monday, September 21, 2026 at 11:00 a.m. (IST) through Video Conference / Other Audio Visual Means (e-AGM):

1. Notice of the 15th Annual General Meeting
2. Annual Report for FY 2025-26

The aforesaid documents are also available on the Company's website at:
<https://digilogicsystems.com/investors/corporate-governance/annual-returns/>

You are requested to take the same on your record.

Yours faithfully,

For DigiLogic Systems Limited
(Formerly known as DigiLogic Systems Private Limited)

Kameswara
Rao Vempati

Digitally signed by
Kameswara Rao Vempati
Date: 2026.08.28 17:38:34
+05'30'

Kameswara Rao Vempati
Company Secretary and Compliance Officer
M.No. A60095

Encl.: As above

ENGINEERING TRANSITION

ANNUAL REPORT
2025 - 26

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Digilogic Systems Limited listed on the BSE SME platform on January 28, 2026, following an ₹81.00 crore initial public offering issued at ₹104 per share

CORPORATE INFORMATION

CIN: L62099TG2011PLC077933

BOARD OF DIRECTORS & KMPs

Mr. Madhusudhan Varma Jetty

Chairman & Managing Director

Mrs. Radhika Varma Jetty

Whole-time Director

Mr. Shashank Varma Jetty

Whole-time Director & CEO

Mr. Hitesh Varma Jetty

Whole-time Director

Mr. Balasubramanyam Danturti

Independent Director

Mr. Sesha Rama Srinivasa Sastry Pullela

Independent Director

Mr. Madadi Ugender Reddy

Independent Director

Mr. Sriharsha Vadakattu

Chief Financial Officer

Mr. Kameswara Rao Vempati

Company Secretary & Compliance Officer

REGISTERED OFFICE:

#102, 1ST Floor, DSL Abacus Tech Park,

Uppal Kalsa Village, Uppal Mandal,

Rangareddy, Telangana- 500 039.

CIN: L62099TG2011PLC077933

STATUTORY AUDITORS

M/s. B. Srinivasa Rao and Co.,

Chartered Accountants

Flat No. 316, B-Block, 3rd Floor,

Ameer Estate, S.R. Nagar,

Hyderabad, Telangana – 500 038.

SECRETARIAL AUDITORS

M/s. SARV & Co.,

Company Secretaries

B-41/A, Ground Floor, Sai Sikhara,

Madhura Nagar, Hyderabad – 500038.

INTERNAL AUDITORS

M/s. P B S K and Associates

Flat No. 213, B-Block,

Ameer Estates, S.R. Nagar,

Hyderabad- 500038.

REGISTRAR AND TRANSFER AGENTS

KFin Technologies Limited

Selenium Tower B,

Plot No. 31 and 32, Gachibowli,

Financial District, Nanakramguda,

Serilingampally, Hyderabad, - 500032.

BANK'S

1. Axis Bank Limited
2. Indian Bank Limited

About Us

ENGINEERING MISSION READINESS THROUGH INDIGENOUS TEST, SIMULATION AND VALIDATION CAPABILITIES

Established in 2007, we are a technology-led engineering company serving the defence, aerospace and mission-critical electronics ecosystem. Since our beginning, our purpose has been to build high-reliability systems and solutions for test, measurement and simulation requirements where accuracy, repeatability and readiness are critical. We design, develop, integrate, manufacture, supply and support automated test equipment, checkout systems, radar and electronic warfare simulators, application software, embedded electronics and signal processing solutions.

Our business operates at the intersection of hardware engineering, software development,

system integration and lifecycle support. We are not positioned as a generic IT or electronics assembly company. Our role is to translate specialised defence and aerospace validation requirements into working systems that can help customers test complex platforms, validate sub-systems, simulate operational conditions and support field readiness.

During FY26, we completed our transition into a listed public company on the BSE SME platform, deepened our disclosures to investors and continued to invest in the building blocks required for our next phase of growth. The year also marked progress in Project Udaan, our proposed manufacturing facility in Hyderabad, and further strengthened our aspiration to move from project-led integration towards deeper electronic sub-system manufacturing capability.



Aerospace and defence, with emphasis on Test, Measurement and Simulation (TMS) systems



Emerging Indian deep-tech player in TMS with in-house software, indigenous hardware and advanced system integration capabilities



800+

test systems and solutions delivered; 30+ test and measurement software and hardware products developed

100+

team with certified engineers and developers

Core Offerings

INTEGRATED ENGINEERING SOLUTIONS FOR DEFENCE, AEROSPACE AND MISSION-CRITICAL APPLICATIONS

Our offerings are built for environments where the cost of failure is high and the need for validation is non-negotiable. We serve defence and aerospace programmes across applications such as missiles, aircraft, seekers, radars, electronic warfare systems, flight systems, avionics, satellite interfaces and rugged deployable systems. Our solutions support development, production, integration, field verification, upgrades and maintenance stages of customer programmes.

Our core verticals are Test Systems, Application Software and Services. Test Systems include automated test equipment, test jigs, checkout systems, radar and electronic warfare simulators, measurement equipment and rugged deployable systems. Application Software including Data Acquisition Softwares & Software products such as TDAS Suite, RCS measurement suite, Radome measurement suite, and reusable FPGA IP Cores. Services cover lifecycle support and management, firmware and software development, upgradation, retrofits, calibration, troubleshooting and post-deployment support.



Automated test equipment and test jigs

ATE, test racks, test jigs, measurement and programmable power systems

Validation of radar, missile electronics, avionics, control systems and other mission-critical sub-systems



Checkout systems

On-site checkout systems, ground checkout systems, missile and flight system verification platforms

Operational readiness, diagnostic testing, subsystem verification and pre-deployment checks



Radar, RF and EW simulators

Radar target echo simulators, waveform generators, RF simulators, spectrum monitoring and analyser systems

Radar validation, electronic warfare simulation, RF measurement and mission scenario recreation



Application software and IP cores

Data acquisition software, test control automation, FPGA / signal processing IP cores

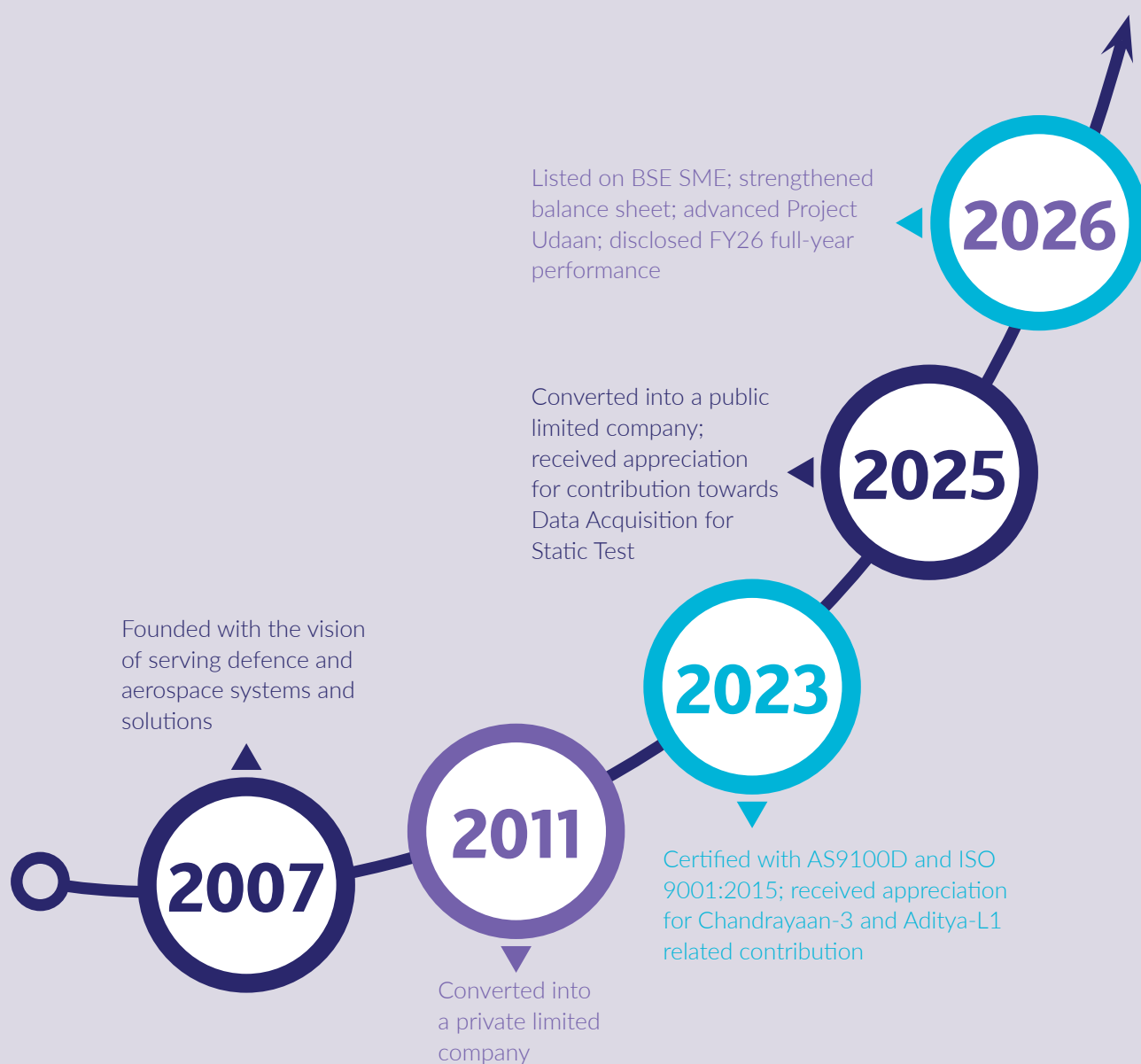
Real-time capture, analysis, control, signal processing and repeatable test execution

Our Legacy

EIGHTEEN YEARS OF CAPABILITY BUILDING, CUSTOMER TRUST AND STRATEGIC EVOLUTION

Our journey began as a partnership firm in 2007 with the ambition to build a world-class systems engineering and integration company. We were converted into a private limited company in 2011 and subsequently became Digilogic Systems Limited in FY26 following conversion into a public limited company. This evolution reflects the expansion of our ambition, governance framework and access to capital.

We operate from Hyderabad as our engineering, administrative and manufacturing base, supported by a marketing and customer engagement presence in Bangalore. Our present facility has supported our growth as a focused project-led systems company. Project Udaan is intended to strengthen this base by bringing electronic manufacturing, functional testing and environmental testing capabilities under one roof. Alongside this, Abhedhya represents another strategic initiative aimed at strengthening our capabilities and expanding the platform from which we can address emerging opportunities in defence and aerospace.



Message from the Chairman & Managing Director

BUILDING ENDURING CAPABILITY QUALITY, INNOVATION, ETHICS AND PURPOSEFUL EVOLUTION



Dear Shareholders,

It gives me great pleasure to address you at the close of FY26, a defining year in the evolution of Digilogic Systems Limited. During the year, we became a listed company on the BSE SME platform and welcomed a wider community of shareholders who share our belief in the long-term potential of India's defence and aerospace ecosystem. This transition carries a responsibility that we accept with humility: to preserve the values on which Digilogic was built while

strengthening the organisation for its next phase of growth.

We established Digilogic with a clear purpose: to support defence and aerospace programmes through reliable test, measurement and simulation systems. Over nearly 18 years, this purpose has shaped our relationships, capabilities and reputation. We have worked closely with the scientific community, participated in the prototyping of critical subsystems and developed test systems alongside customer

programmes. When these programmes move through technology transfer to production agencies such as BDL, BEL and HAL, our systems can continue as part of the production and validation ecosystem. This relationship-led model, built on technical confidence and consistent support, remains central to our organisational legacy.

India's defence and aerospace ecosystem has changed significantly over the last decade. Government initiatives have encouraged indigenous development, greater private-sector participation and the creation of an ecosystem spanning electronics, composites and high-precision mechanical capabilities. The objective has moved beyond self-sufficiency towards internationally qualified and export-oriented military products. As the requirements of the armed forces increase and production agencies operate at higher capacity, specialised private companies are increasingly required to support subsystem manufacturing, testing and integration.

This context gives us confidence in the medium- and long-term opportunity. Several programmes that were earlier in design, development or limited-series

production are now moving towards higher production volumes. Our participation in these programmes gives us a clearer roadmap for the coming years and reinforces the need to build the infrastructure, talent and technology required to serve them responsibly.

For the past 18 years, we have built our identity in Test, Measurement and Simulation through automated test systems, checkout systems, simulators, application software and services, and TMS will continue to remain an important core vertical for Digilogic. Building on this foundation, over the next two to three years we intend to move further up the value chain by developing deeper manufacturing capabilities across build-to-specification and build-to-print electronic sub-systems. Project Udaan is the principal platform for this transition. Project Udaan is the principal platform for this transition. The proposed 65,000 to 70,000 sq. ft. facility at the Hardware Tech Park in Hyderabad is intended to bring design, electronic sub-system manufacturing, functional testing and Environmental Stress Screening under one roof.

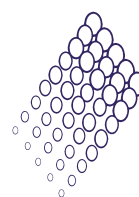
In parallel, we are working towards becoming a product-oriented company. We are investing in three to four technology-oriented products that can have common application across multiple programmes and can be produced in numbers. We have also established Abhedhya Systems Private Limited to focus on radar and communication systems and to support our expansion into proprietary products. These initiatives require patience, sustained research and development, and disciplined

execution. Defence and aerospace products must be developed, demonstrated and proven before they can create value at scale.

Quality, innovation and ethics will remain non-negotiable throughout this evolution. Technology changes continuously, and our teams must remain current if we are to participate in the next generation of programmes. We will continue to develop our people, adopt emerging technologies early and invest where customer-funded development is not available. Equally, our responsibility does not end with delivery. Availability, responsiveness and effective post-delivery support are deeply embedded in our culture because our customers depend on us to complete critical programmes on time.

FY26 also reflected disciplined financial and operational progress. Total income grew from Rs. 72.19 crore in FY25 to Rs. 78.27 crore in FY26. EBITDA increased from Rs. 13.04 crore to Rs. 15.18 crore, while PAT increased from Rs. 7.79 crore to Rs. 10.43 crore. Cash flow from operations improved to a positive Rs. 12.63 crore in FY26 from a negative Rs. 10.51 crore in FY25. We repaid the outstanding Indian Bank term loan of Rs. 8.42 crore using Rs. 8.00 crore from IPO proceeds and Rs. 0.42 crore from internal accruals. Total debt reduced from Rs. 13.34 crore to Rs. 4.06 crore, while net worth increased from Rs. 33.17 crore to Rs. 108.09 crore.

As we move forward, we will remain anchored in the principles that have brought us this far: technical integrity, uncompromising quality, responsible innovation, customer trust and ethical conduct. We will continue to deepen our TMS capabilities, build subsystem



We are strengthening our capabilities across Design, Electronics Manufacturing Services (EMS) and Environmental Stress Screening and Qualification (ESS/Q), including PCB assembly, system integration and testing of mission-critical assemblies. This is being complemented by a focused expansion into high-performance RF and Microwave design, development and manufacturing for defence and aerospace applications.

manufacturing capacity, develop products and strengthen the indigenous strategic electronics ecosystem. Our ambition is not merely to become larger, but to become more capable, more dependable and more relevant to programmes of national importance.

On behalf of the Board and management team, I thank our employees for their commitment, our customers and scientific partners for their confidence, our suppliers and partners for their support, and our shareholders for believing in our journey. We enter the next phase with a clear sense of purpose and a long-term commitment to building enduring capability.

Warm regards,

J. Madhusudhan Varma

Chairman and Managing Director

FINANCIAL HIGHLIGHTS

Three-Year Comparative Financial Performance FY2024-FY2026

ROE ₹ in Crore



FY26 moderated due to enlarged equity base after fresh issue.

ROCE ₹ in Crore



FY26 moderated due to enlarged equity base after fresh issue.

Debt-to-equity ₹ in Crore



FY26 moderated due to enlarged equity base after fresh issue.

Current ratio ₹ in Crore



FY26 moderated due to enlarged equity base after fresh issue.

Debt service coverage ratio ₹ in Crore



FY26 moderated due to enlarged equity base after fresh issue.

Inventory turnover ₹ in Crore



FY26 moderated due to enlarged equity base after fresh issue.

Trade receivables turnover ₹ in Crore



FY26 moderated due to enlarged equity base after fresh issue.

Net working capital turnover ₹ in Crore



FY26 moderated due to enlarged equity base after fresh issue.

Notes: FY2023-FY2025 ratios are from the company's KPI disclosures / RHP. FY2026 ratios are from the FY2025-26 Annual Report. EBITDA is management/KPI-reported; margins and growth rates are formula-derived in this workbook.

Three-Year Comparative Financial Performance | FY2024-FY2026

Revenue from operations

(₹ Crore)



Full-year operating revenue

YoY revenue growth



Formula-derived

EBITDA

(₹ Crore)



Management / KPI-reported

EBITDA Margin



Formula: EBITDA ÷ revenue

Profit before tax

(₹ Crore)



Audited / restated PBT

PAT

(₹ Crore)



Full-year profit after tax

YoY PAT growth



Formula-derived

PAT margin



Formula: PAT ÷ revenue

Cash flow from operations

(₹ Crore)



Available from FY2025 onward

CHIEF EXECUTIVE OFFICER'S MESSAGE



Dear Shareholders,

FY26 was an important year for Digilogic Systems Limited as we strengthened our product and solution capabilities, executed critical customer programmes and prepared the organisation for a larger scale of operations. As CEO, my focus is on translating our engineering capabilities into solutions that address customer requirements, strengthening execution and building relationships that extend from the initial technical engagement through delivery and lifecycle support.

Our business is fundamentally customer-led. Defence and aerospace programmes involve specialised electronics, multiple interfaces and

demanding validation requirements. Consequently, our engagement often begins well before an order is placed. Our teams work with customers to understand their technical requirements and develop solutions that combine hardware, application software, embedded engineering, signal processing and system integration. This ability to customise solutions around specific applications remains central to our operating model.

During FY26, we continued to strengthen our Test, Measurement and Simulation portfolio across measurement equipment, checkout systems, automated test equipment, data acquisition systems and related

services. We delivered four checkout systems for critical programmes, which moved into integration and testing with the respective systems. We also received an order from a defence public sector undertaking for 250 deployable spectrum monitoring and analysis systems. Such opportunities are important because they demonstrate our ability to move from customised development towards repeatable production requirements.

Our participation in customer programmes typically develops through multiple stages. During prototyping, our teams work closely with customers to understand requirements, develop the system and establish its performance. Once the design is proven and we become part of a Design-cum-Production Partner programme, the opportunity can extend into subsequent production requirements. The quality of our engagement during the development stage therefore becomes particularly important because technical credibility can create opportunities for longer programme participation.

This also defines our approach to sales. Our business development process is technically intensive and requires close interaction with laboratories, defence public sector undertakings and programme teams. We seek to understand programmes at an early stage, identify testing challenges and determine where our engineering capabilities can provide an appropriate solution. Customer relationships can subsequently continue through maintenance, calibration, upgrades, software modifications, troubleshooting, spares and obsolescence management. This lifecycle engagement enables us to support systems after commissioning while remaining connected with evolving customer requirements.

FY26 also highlighted areas where we need to improve execution. Certain specialised hardware incorporated into our systems is sourced from international OEMs. Geopolitical disruptions extended procurement lead times during the year, affecting the completion and delivery of some orders before the financial year-end. We have since been working more closely with OEMs and supply partners on alternative shipping routes, procurement planning and improved delivery visibility.

Alongside this, we have implemented ERP as part of strengthening our operating processes. As our order volumes and project complexity increase, greater integration between sales, engineering, procurement, inventory, project execution and finance becomes important. ERP should progressively provide better visibility across the project cycle, helping us strengthen material planning, project monitoring, inventory management, costing and budgeting while supporting more informed operating decisions.

We are also expanding the technology capabilities available to our customers. RF systems represent one such area. These technologies are relevant across radar, electronic warfare and communication systems and are closely aligned with our existing customer relationships. Building greater RF capability within the Digilogic ecosystem can progressively increase the engineering content under our control and allow us to address a wider part of customer requirements.

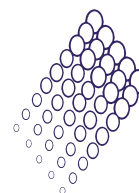
At the same time, our R&D teams are developing indigenous engineering building blocks, including custom-built single-board computers. Our objective is to develop baseband capabilities

that can complement RF expertise and progressively provide greater control over the overall system. We are also focusing on reusable hardware and software building blocks that can be adapted across programmes, helping reduce repetitive engineering effort and improve response and execution timelines.

Our next phase will require us to combine customised engineering with the ability to execute larger production quantities. Project Udaan is important in this context. The proposed facility will bring electronic manufacturing, functional testing and environmental testing capabilities under one roof, providing greater control over manufacturing, integration, qualification and delivery. In parallel, we are strengthening processes, vendor development, quality controls, project management and internal systems required to operate at a larger scale.

Looking ahead, our priorities are clear. We will deepen our participation in existing customer programmes, pursue new development opportunities, strengthen our TMS portfolio and progressively expand into adjacent RF and electronic subsystem opportunities. We will remain focused on converting qualified opportunities into orders while improving execution predictability and lifecycle support.

Ultimately, customer confidence is built through performance. Technical capability may help us enter a programme, but quality, reliability, responsiveness and delivery determine whether the relationship develops further. Our objective is therefore to remain close to customers, understand their evolving requirements and consistently convert our engineering knowledge into dependable solutions.



Looking ahead, our priorities are clear. We will deepen our participation in existing customer programmes, pursue new development opportunities, strengthen our TMS portfolio and progressively expand into adjacent RF and electronic subsystem opportunities.

I thank our customers for their continued confidence, our employees for their technical commitment, our suppliers and technology partners for supporting our execution, and our shareholders for their trust. We enter FY27 focused on strengthening execution, expanding our capabilities and building enduring customer relationships.

Warm regards,

J. Shashank Varma
Chief Executive Officer &
Whole-Time Director

MESSAGE FROM CFO



Dear Shareholders,

It gives me immense pleasure to present the financial performance and strategic progress of Digilogic Systems Limited for the financial year ended March 31, 2026. FY25-26 has been a landmark year in our journey, defined by resilient growth, meaningful improvement in profitability, strong cash generation and, most importantly, our successful listing on the BSE SME Platform.

Our performance this year reflects the strength of our underlying business and our continued focus on profitable growth, operational efficiency and disciplined financial management. At the same time, we have taken

important steps towards building a more digitally enabled organisation that can support faster, more informed and data-driven decision-making as we scale.

Strong Financial Performance

We are pleased to report a healthy improvement across our key financial parameters during FY25-26.

Total Income stood at ₹78.27 crore, registering a growth of 8.4% year-on-year. More importantly, this growth was accompanied by a stronger improvement in operating profitability. EBITDA increased by 16.5% to ₹15.18 crore, with the EBITDA margin expanding by 152 basis points to 20.0%.

Our bottom-line performance was even more encouraging. Profit After Tax increased by 34% to ₹10.43 crore, while the PAT margin expanded by 265 basis points to 13.5%. The expansion in margins demonstrates our ability to translate revenue growth into disproportionately higher profitability through improved operating leverage, cost discipline and greater efficiency across the organisation.

Our cash generation remained equally strong. Free Cash from Operations stood at ₹12.63 crore, providing a healthy foundation to support our business requirements and future growth initiatives. Strong cash generation remains a key measure of the quality and sustainability of our earnings, and we will continue to maintain a disciplined approach towards working capital and capital allocation.

A Transformational Milestone – Successful BSE SME Listing

FY25-26 also marked a defining moment for Digilogic Systems with our successful listing on the BSE SME Platform.

For us, the listing is not merely a financial event; it is an important step in our evolution as an institution. It enhances our visibility, strengthens stakeholder confidence and provides us with a platform to pursue our long-term growth ambitions.

Becoming a listed company also brings a greater responsibility towards transparency, governance, financial discipline and consistent stakeholder communication. We are committed to embracing these responsibilities and continuously strengthening our systems and processes to meet the expectations that come with being a publicly listed organisation.

We view the listing as the beginning of a new chapter rather than the culmination of one. Our focus remains on deploying the opportunities created by this milestone prudently and towards building sustainable long-term value.

Accelerating Our Digital Transformation

As we look towards the future, digital transformation is emerging as a key enabler of our next phase of growth.

Our objective is to build an organisation where reliable information is available at the right time to the right decision-makers. We are therefore progressively strengthening our digital systems, data architecture, reporting processes and internal workflows.

The transformation is intended to go beyond automation. We want to create a culture where data becomes an integral part of decision-making—helping us monitor business performance in a timely manner, identify emerging trends, improve resource allocation, strengthen financial controls and respond more quickly to opportunities and risks.

As our business expands, the ability to convert data into actionable insights will become increasingly important. We believe that a digitally enabled finance function can evolve from being primarily a reporting function to becoming a strategic business partner, providing management with timely insights for both operational and strategic decisions.

Focused on Sustainable and Profitable Growth

Our financial performance in FY25-26 reinforces our belief that growth and profitability can progress together when supported by operational discipline and a clear strategic direction.

Going forward, our priorities will remain focused on:

- Sustainable revenue growth while maintaining the quality of our business;
- Further strengthening operating and net profitability through productivity and efficiency;
- Maintaining healthy cash generation and disciplined working-capital management;
- Investing in digital capabilities to enable faster and better decision-making;
- Strengthening financial systems, internal controls and governance in line with our evolution as a listed company; and
- Prudent allocation of capital towards opportunities that can generate sustainable long-term returns.

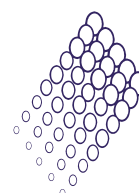
We enter the new financial year with confidence, but also with a clear understanding of the responsibilities that accompany our growth. Our ambition is not simply to become a larger organisation, but to build a stronger, more agile, more transparent and digitally intelligent enterprise.

Looking Ahead

The successful BSE SME listing, coupled with the strong financial performance achieved during FY25-26, has created a solid platform for the next stage of our journey.

We remain optimistic about the opportunities ahead and believe that our focus on profitable growth, digital transformation, financial discipline and stakeholder trust will enable Digilogic Systems to build lasting competitive strength.

I would like to express my sincere gratitude to our shareholders, customers, business partners, bankers,



Our ambition is not simply to become a larger organisation, but to build a stronger, more agile, more transparent and digitally intelligent enterprise.

advisors and other stakeholders for their continued confidence in the Company. I also extend my appreciation to our employees, whose commitment and contribution have been instrumental in delivering the progress we have achieved.

FY25-26 has strengthened our foundation. The next phase is about building on it—with greater scale, sharper execution and smarter decision-making.

We look forward to continuing this journey together and creating enduring value for all our stakeholders.

Warm regards,

Sri Harsha Vadakattu
Chief Financial Officer
Digilogic Systems Limited

Growth Enablers

OPERATIONAL RESILIENCE, PROGRAMME VISIBILITY AND DISCIPLINED EXECUTION

FY26 combined listing-led transition with stronger execution, profitability and cash generation. Total income grew by 8.4%, EBITDA by 16.5% and PAT by 33.8%. Our operating model remained project-led, customer-specific and engineering-intensive, while software value addition and the product mix supported improved margins. Positive cash flow from operations of Rs. 12.63 crore reflected stronger inventory and receivables control.

A significant operational development was the production order for approximately 250 spectrum-monitoring receiver systems from a public-sector customer. The order was received around January within a tight delivery and billing schedule. Despite global supply chain constraints these constraints, we delivered a significant number of systems by March and completed the corresponding billing, demonstrating the resilience of our execution capabilities.

Our medium-term programme visibility has improved as several programmes in which we have already participated move from design and development into production. We are associated with programmes including Akash, LRSAM, MRSAM, BrahMos, the Directed Energy Weapon anti-drone system, Rudram; the High-Speed Low-Flying Target Cruise Missile and the Submarine-Launched Cruise Missile.

Amplitude (dB)

0
-20
-40
-60
-80
-100
-120

8.4%

YoY total Income Growth

16.5%

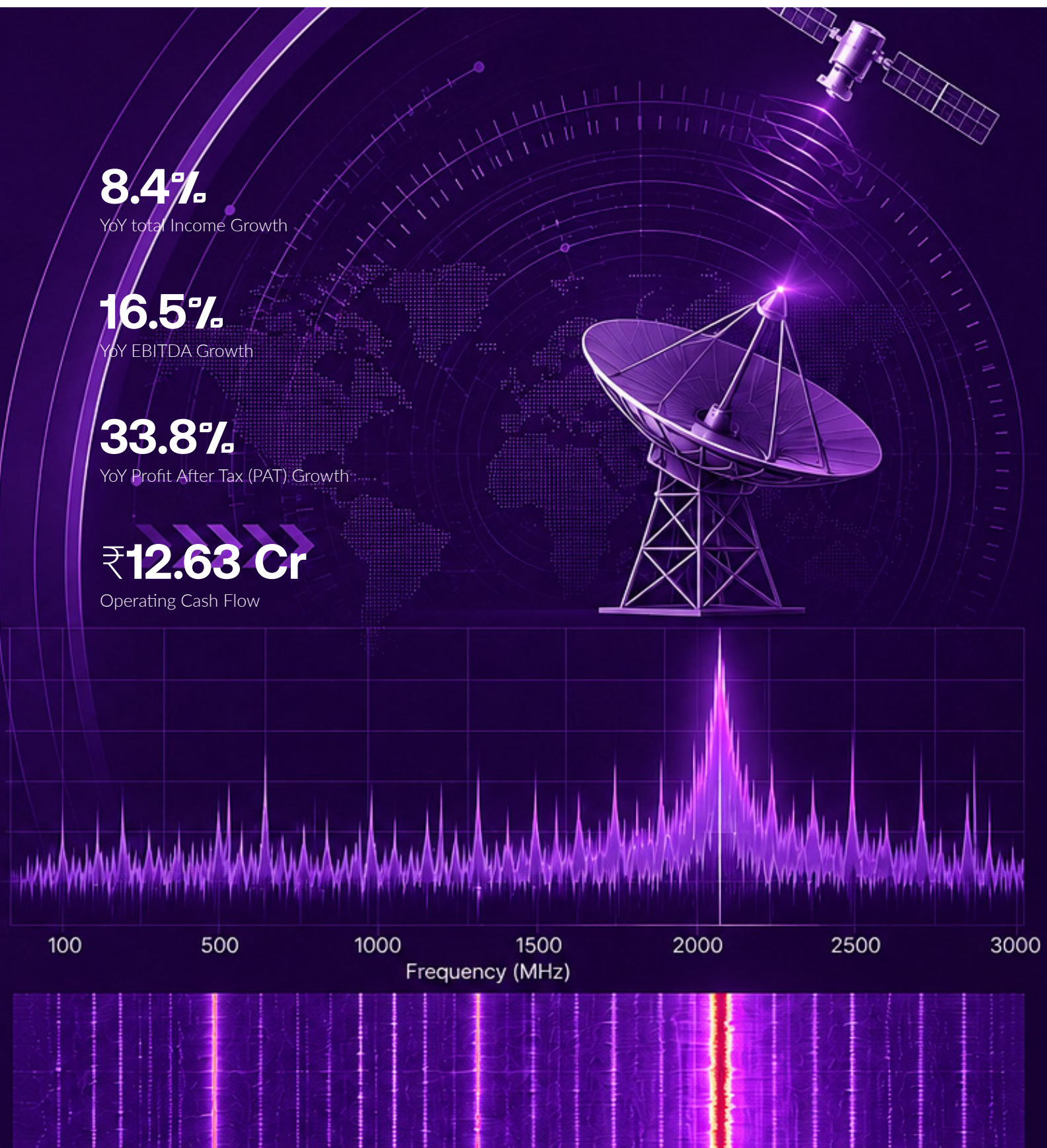
YoY EBITDA Growth

33.8%

YoY Profit After Tax (PAT) Growth

₹12.63 Cr

Operating Cash Flow



Key Drivers of the business

INDIA'S DEFENCE TRANSFORMATION EXPANDS OPPORTUNITIES ACROSS THE **INDIGENOUS** **ENGINEERING** ECOSYSTEM

Technology-Led Defence Platforms Require Deeper Testing, Validation and Readiness Assurance

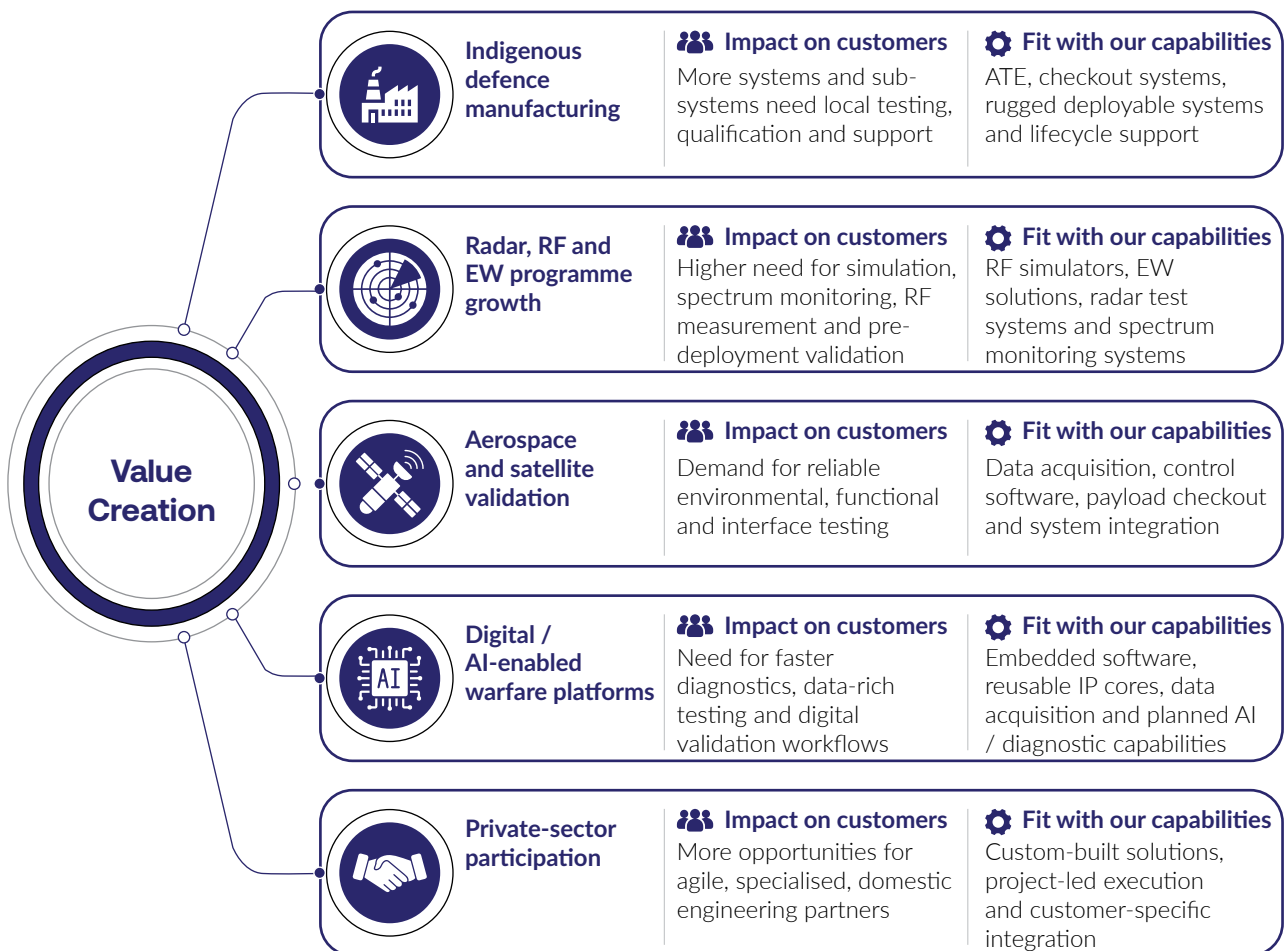
The defence and aerospace landscape is moving towards systems that are more electronic, more software-defined and more dependent on accurate validation. Modern missiles, aircraft, radar systems, communication platforms, electronic warfare units, UAVs and satellite-linked applications require testing infrastructure that can replicate complex operating environments, detect faults, validate performance and reduce dependence on repeated field trials. Test, Measurement and Simulation therefore sits at the centre of system readiness.

In India, the ecosystem comprises defence public sector undertakings, DRDO laboratories, ISRO and related facilities, licensed defence companies, SMEs, start-ups and private-sector suppliers. As indigenous design and manufacturing grows, the need for local validation, integration and lifecycle support also increases. Imported platforms and generic test equipment alone cannot address the full spectrum of customised programme requirements. This creates space for specialised system integrators with domain knowledge, certified quality systems and the ability to build tailored solutions.

The opportunity is also being shaped by higher production requirements. Public-sector production agencies may not be able to meet expanding targets entirely within their existing capacity, even with multiple shifts. This increases the need to distribute subsystem work across qualified private companies in electronics, composites and high-precision mechanical engineering, strengthening a more stable domestic supply chain.



Our relevance in this context comes from our engineering position. We work on automated test equipment, checkout systems, RF simulators, electronic warfare solutions, rugged deployable systems, data acquisition software and support services. These solutions are directly aligned with programme requirements such as avionics and flight testing, satellite validation, radar / EW / RF systems, missile and guidance simulation, defence electronics, embedded systems, autonomous systems and UAV testing.

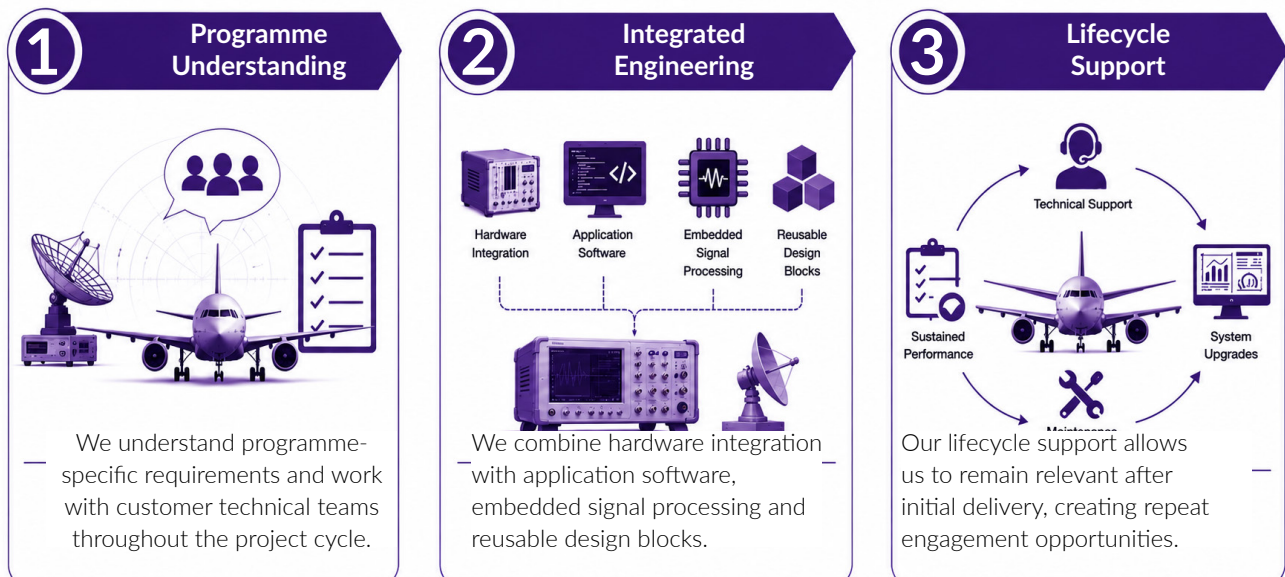


Key Drivers of the business

INDIGENISATION, EXPANDING ADDRESSABLE OPPORTUNITY

Our market opportunity is being driven by stronger policy support for indigenisation, localisation and supplier capability development, rising engineering complexity, domestic sourcing and growing demand for integrated validation solutions. Customers increasingly seek end-to-end partners capable of delivering commercial-off-the-shelf integration, indigenous hardware, customised software, mechanical and electronic assembly, compliance testing, documentation and lifecycle support. As defence platforms become more electronics-intensive, India's Test, Measurement and Simulation (TMS) market is expected to expand rapidly through 2030, supported by indigenous defence manufacturing, semiconductor and electronics growth, aerospace production, radar and electronic warfare programmes, UAVs and AI-enabled warfare platforms.

Our fit in this market is based on three capabilities.



Specialised Engineering Programmes Create Value Across the Complete System Lifecycle

Our business model is built around specialised engineering programmes rather than standard product distribution. We create value by combining design, development, integration, manufacturing, software development, validation and aftermarket support. Most engagements begin with a technical requirement from a defence, aerospace or high-reliability engineering customer. We then participate through technical discussions, budgetary quotations, tendering, project scope finalisation, procurement, software development, hardware integration, testing, delivery, installation and handover.

Many engagements begin while a customer programme is still in prototyping. By working closely with scientists and engineers, we gain a detailed understanding of the technology and develop the corresponding test system alongside the prototype. When the programme is transferred to a production agency, the validated test system can also move into the production environment, supporting repeat and nomination-based opportunities.

This model requires both technical depth and project discipline. Many of our systems are customer-specific and cannot be meaningfully compared through standard capacity metrics. The value lies in the ability to convert a defined customer requirement into a reliable system that works within the relevant operating environment. Our revenue therefore reflects execution cycles, customer approvals, procurement lead times and handover milestones.

Value creation stage	What we do	Why it matters
Requirement and technical scoping	Engage with customer teams, understand performance parameters and define system architecture	Improves proposal quality and helps align solutions to mission-specific requirements
Design and development	Develop hardware architecture, software logic, test interface, control automation and mechanical / electrical integration plan	Transforms complex customer needs into a workable system design
Procurement and integration	Source specialised components, integrate COTS hardware with indigenous software and system engineering	Balances reliability, performance, cost and schedule
Testing and validation	Conduct functional checks, compliance testing and system validation before delivery and commissioning	Supports confidence in reliability and readiness
Installation and support	Install systems at customer location, provide training, documentation, maintenance, calibration and upgrades	Extends relationship beyond initial project delivery

Performance of Business Verticals

MISSION-CRITICAL SOLUTIONS SPANNING TEST SYSTEMS, SIMULATION, SOFTWARE AND EMBEDDED ELECTRONICS

Our business is organised around three complementary verticals - Test Systems, Application Software and Services. Test Systems forms the principal operating vertical and includes Automated Test Equipment, Checkout Systems, measurement equipment, radar and electronic warfare simulators and ruggedised deployable systems. Application Software provides the intelligence that enables these systems through data acquisition, test automation, control, signal processing and reusable FPGA IP Cores. Services extend our engagement beyond delivery through software development, upgrades, retrofits, maintenance and lifecycle support.

During FY26, Test Systems and Application Software continued to form the engineering core of our business, supporting customers across testing, validation, simulation, data acquisition and operational readiness requirements. Services increasingly complemented these verticals by supporting the installed base and creating greater lifecycle engagement with customers.

A Broader Revenue Mix with Increasing Lifecycle Engagement

Products

₹ in Crore



YoY change ▲ +3.1%

Services

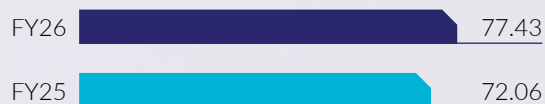
₹ in Crore



YoY change ▲ +263.9%

Revenue from operations

₹ in Crore



YoY change ▲ +7.5%

Customer-Centric Execution Combines Customisation, Validation, Installation and Long-Term Technical Support

Our delivery cycle is customer-specific and project-led. We typically engage with customers during technical discussions, submit technical and commercial bids, receive purchase orders on tender award, procure hardware and modules, develop software in parallel, integrate the system, perform functional and compliance testing, deliver to customer sites and complete installation and handover.

Support does not end with delivery. Defence and aerospace systems have long operating lives, and their testing infrastructure often needs upgrades, calibration, troubleshooting, software revisions, spares management and obsolescence management. Our support model gives us continuity with customers and helps build repeat engagement.

Enhancing Value

ENGINEERING DEPTH AND EARLY TECHNOLOGY ADOPTION SUSTAIN OUR COMPETITIVE RELEVANCE



Reusable Engineering Platforms Accelerate Customisation While Preserving Reliability and Programme Specificity

Engineering is the core of our company. Our solutions are built from a combination of domain understanding, system architecture, reusable design blocks, COTS hardware, indigenous software and integration discipline. In mission-critical domains, engineering efficiency is not only about reducing time. It is about achieving repeatable performance, predictable validation and reduced design rework.

We use a repository of hardware modules and software components that can be adapted to specific customer requirements. This modular development approach enables us to reduce development effort, support faster customisation and improve predictability in delivery schedules. Reuse is especially valuable in a project-led

company because every new programme may be unique, but many underlying engineering blocks can be refined and redeployed.

Our work in data acquisition, radar simulation, RF measurement, embedded software, FPGA-based signal processing and rugged systems gives us an engineering base that can be extended into next-generation applications. These include AI-enabled diagnostics, digital twin modelling, real-time fault detection, high-precision gimbal systems, indigenous harness testing and customised single board computers for on-board and ground-based electronics.

Integrated Design, Prototyping and Validation Build Confidence Across Mission-Critical Programmes

Our technical workflow follows a disciplined path from concept to deployment. Customer requirements are converted into architecture, hardware and software are developed or integrated, prototypes are assembled, system-level functionality is tested, compliance and customer acceptance requirements are addressed, and final installation is supported at customer sites. This workflow requires tight coordination between business development, engineering, procurement, production, quality and service teams.

Quality is embedded into this workflow. Our AS9100D and ISO 9001:2015 certifications support our credibility in aerospace and defence environments. The nature of our solutions requires incoming quality checks, in-process validation, final testing, traceability, documentation and customer-specific acceptance procedures. As we move towards greater in-house manufacturing capability under Project Udaan, these quality systems will become even more central to scale.

Reusable modules

How it works in our model

Hardware and software building blocks adapted to customer requirements

Value for customers

Faster customisation and lower rework

Embedded software and IP

How it works in our model

Real-time control, signal processing, interface management and data capture

Value for customers

Improves system responsiveness and repeatability

Lifecycle engineering

How it works in our model

Upgrades, calibration, maintenance and obsolescence support

Value for customers

Extends system life and reduces customer disruption

COTS plus value addition

How it works in our model

Use of proven hardware platforms with Digilogic test software and integration

Value for customers

Balances reliability, performance and schedule

Functional validation

How it works in our model

Testing system behaviour against defined specifications

Value for customers

Supports readiness and acceptance

Enhancing Value

MOVING UP THE **VALUE** CHAIN THROUGH MANUFACTURING, PRODUCTS AND TECHNOLOGY OWNERSHIP

Our growth priorities are designed around depth rather than dispersion. We intend to strengthen our presence in core TMS applications while widening into adjacent areas where our engineering base has natural relevance. The near-term focus is to deepen customer engagement in automated testing, checkout systems, measurement equipment, RF and EW solutions, rugged deployable systems, embedded software and lifecycle support. Over the medium term, we expect Project Udaan and Abhedhya Systems to expand our participation in electronic sub-systems, RF and microwave engineering and larger manufacturing-led opportunities.

Deepen core programmes

FY26 / current direction

Continue executing TMS, checkout, ATE and measurement equipment opportunities

Expected strategic value

Strengthens customer trust and revenue visibility

Improve in-house capability

FY26 / current direction

Build manufacturing, functional testing and Environmental Stress Screening capabilities through Project Udaan, complemented by specialised RF and microwave engineering capability through Abhedhya Systems.

Expected strategic value

Improves control over manufacturing and validation while adding deeper technology capability in RF and microwave applications.

Build public-market discipline

FY26 / current direction

Maintain transparent disclosures and pragmatic communication

Expected strategic value

Supports trust with investors and stakeholders

Widen addressable applications

FY26 / current direction

Develop solutions across SBCs, indigenous harness testers, high-precision gimbal systems and RF applications, while leveraging Abhedhya Systems for RF and microwave solutions, electromagnetic

simulation, high-frequency circuit design, PCB layouts and RF system optimisation.

Expected strategic value

Expands relevance across more defence and aerospace platforms

Strengthen execution discipline

FY26 / current direction

Improve procurement planning, supply routing and project reviews

Expected strategic value

Reduces spillover risk and improves customer delivery confidence

Enhancing Value

PROJECT UDAAN INTEGRATES DESIGN, MANUFACTURING, TESTING AND QUALIFICATION UNDER ONE ROOF

Project Udaan will establish a 65,000 sq. ft. integrated facility that brings together electronics manufacturing, functional testing and environmental testing under one roof. This expansion will strengthen Digilogic's ability to deliver build-to-print, build-to-specification, section-level integration and mission-critical test solutions, while improving quality, delivery control and end-to-end design-to-validation capabilities.

Key Highlights

65,000 sq. ft.

Integrated Manufacturing & Test Facility

2 Acres

TGIIC Hardware Park Phase II, Hyderabad



Enhancing Value

TECHNOLOGY, TRUST AND EXECUTION DISCIPLINE TRANSLATE ENGINEERING CAPABILITY INTO STAKEHOLDER VALUE

Our Integrated Capabilities Convert Strategic Inputs Into Sustainable Long-Term Outcomes

Our value creation model links engineering capability, customer understanding, quality discipline, infrastructure, talent and support services. We create value when we help customers reduce testing complexity, improve validation confidence and support mission readiness. We create enterprise value when these capabilities translate into repeat engagement, better margins, stronger cash flow and scalable manufacturing depth.

Input / capital	What we do with our relations and resources	Value created in FY26 / strategic direction
Engineering capability	Design, software, embedded systems, RF, measurement and integration know-how	Supported core TMS offerings and future product roadmaps
Manufacturing and infrastructure	Hyderabad base and Project Udaan expansion	Foundation for greater in-house control and future electronic sub-system capability
Customer relationships	Technical engagement, repeat projects and lifecycle support	FY26 orders and repeat engagement narrative strengthened customer relevance
Quality systems	AS9100D and ISO 9001:2015 based discipline	Supports credibility in aerospace and defence requirements
Financial capital	IPO proceeds, debt reduction and cash flow improvement	Net worth increased to Rs. 108.09 crore and total debt reduced to Rs. 4.06 crore in FY26
People and culture	100+ engineering-led team and project ownership culture	Supports execution continuity and technical responsiveness
Governance	Board and committee framework of a listed company	Supports transparency, oversight and stakeholder trust

The strongest FY26 value creation signal came from the combination of improved profitability, debt reduction and positive operating cash flow. While revenue growth was affected by supply chain timing, earnings grew faster than revenue and cash generation improved substantially. This supports our belief that disciplined execution and mix improvement can create value even before the full benefit of Project Udaan is realised.

Enhancing Value

ABHEDHYA SYSTEMS ADVANCES OUR RADAR, COMMUNICATION, RF AND MICROWAVE PRODUCT AMBITION

The establishment of Abhedhya Systems Private Limited after the close of FY26 gives us a focused vehicle to build RF and microwave engineering capability. RF technologies are increasingly important in modern warfare, radar systems, satellite communication, detection, warning, spectrum management and electronic warfare applications. Abhedhya is intended to design, develop and manufacture RF-based solutions and provide specialised engineering services in electromagnetic simulation, high-frequency circuit design, PCB layouts and RF system optimisation.

This initiative is strategically adjacent to our existing business. Our current portfolio already includes RF simulators, EW solutions, measurement systems, radar testing and spectrum monitoring applications. A dedicated RF and microwave capability can help us expand the solution set, improve technical specialisation and support Project Udaan with a sharper technology focus.



Customer Relationships and Lifecycle Support

TRUSTED BY INDIA'S MISSION-CRITICAL DEFENCE, AEROSPACE AND STRATEGIC TECHNOLOGY ECOSYSTEM

Our customers include DRDO laboratories, defence PSUs, aerospace organisations, space agencies and strategic technology institutions, supporting mission-critical programmes across defence and aerospace. We deliver test, measurement, simulation and automated test solutions that enable faster validation, improved system readiness and reliable system performance across radar, missile, avionics, satellite, electronic warfare and communication platforms. Our engagement extends from design and development to testing, acceptance, production support, upgrades and lifecycle sustainment, building long-term partnerships founded on technical expertise, responsiveness and execution reliability. In FY26, our capabilities were further recognised with appreciation from the Ministry of Defence – Centre for Advanced Systems for contributions to Data Acquisition for Static Test, adding to recognitions received from RCI-DRDO, DLRL and other defence and space organisations.



Recent order wins underscore our growing relevance across India's defence and aerospace ecosystem. During FY26, we secured a ₹ 12.98 crore Defence PSU order for 250 deployable spectrum monitoring and analyser systems, received DRDO orders worth ₹ 7.15 crore for measurement, test and integrated checkout systems, and successfully delivered critical checkout systems for public sector defence customers, reinforcing our execution capabilities in mission-critical programmes.

CUSTOMER AND STRATEGIC INSTITUTION ECOSYSTEM



ASL - DRDO

Supported mission-critical test readiness through hardware, software, supply of material, services and testing support for data acquisition and static-test applications.



HAL - Hindustan Aeronautics Limited

Supports the aerospace validation environment through test systems, checkout systems, avionics-related testing capability and customised engineering support.



IRDE - DRDO

Provides a relevant platform for customised test, measurement and simulation support in specialised defence instrumentation and validation applications.



BEL - Bharat Electronics Limited

Supports production-linked defence electronics programmes through test, measurement, simulation, system integration and lifecycle support capabilities.



BHEL - Bharat Heavy Electricals Limited

Creates value through customised test solutions, automation, integration and engineering support for specialised high-reliability requirements.



CHESS - DRDO

Supports advanced defence technology programmes through specialised hardware and system-level engineering support.



DRDL - DRDO

Creates value through missile-related test and validation support, helping customers strengthen production and system-readiness workflows.



ECIL - Electronics Corporation of India Limited

Supports customers through electronics, embedded systems, test automation, integration and system-support capabilities aligned to mission-critical applications.



BDL - Bharat Dynamics Limited

Supports missile and defence production programmes through test systems, checkout systems, simulation solutions and lifecycle engineering support.



ISRO - Indian Space Research Organisation

Supports space mission readiness through hardware development, timely deliveries, testing and validation-oriented engineering capabilities.



DLRL - DRDO

Creates value through software-led engineering, electronic warfare relevance, application development and problem-solving for specialised defence projects.



NSTL - DRDO

Provides value through test, measurement, data acquisition, simulation and validation support for naval and defence applications.



RCI - DRDO

Supports missile-related testing, training, checkout and validation requirements, helping customers improve development and deployment readiness.



LRDE - DRDO

Creates value through radar validation, RF testing, electronic subsystem evaluation and checkout-system capabilities.

STRATEGIC COLLABORATIONS AND TECHNOLOGY ECOSYSTEM - THROUGH TECHNOLOGY-LED PARTNERSHIPS

In mission-critical defence, aerospace and strategic electronics programmes, capability is rarely built in isolation. It requires a combination of domain knowledge, engineering depth, specialised instrumentation, advanced software, global technology platforms and the ability to integrate them into customer-specific solutions. Our collaboration approach is therefore focused on strengthening our internal engineering capability while selectively working with technology partners whose platforms, products or domain expertise can enhance the solutions we deliver to customers.

Our strategic collaborations and technology ecosystem help us improve solution depth across test, measurement and simulation, radar validation, RF systems, electronic warfare, data acquisition, automated test equipment and software-led system integration. These relationships enable us to combine proven global technologies with our own engineering, customisation, system integration, application software and lifecycle support capabilities. The result is a stronger value proposition for customers who require reliable, customised and indigenous solutions for complex programme needs.

Our collaborations are especially relevant in areas where customers require advanced validation environments, high-accuracy instrumentation, simulation capability, ruggedised systems, embedded software and system-level integration. Through this ecosystem, we are able to access specialised technologies, adapt them to Indian defence and aerospace requirements, and deliver solutions that improve testing efficiency, programme readiness and long-term system support.

Select Strategic Collaborations



Strategic Contribution

Supports our system integration and software-led test solution capability. NI platform technologies help us build customised automated test systems, data acquisition systems and validation solutions for defence, aerospace and high-reliability engineering applications.



Strategic Contribution

Strengthens our radar simulation and SAR environment simulation capabilities, enabling us to address advanced radar validation and scenario-generation requirements.



Strategic Contribution

Supports capability enhancement in advanced test, simulation and validation solutions for defence and aerospace customers, including public sector and strategic technology programmes.

SPECIALISED TALENT, CONTINUOUS LEARNING AND TECHNICAL OWNERSHIP POWER OUR ENGINEERING EXCELLENCE

A Collaborative Engineering Culture Encourages Accountability, Curiosity and Customer-Centred Problem Solving

Our people are central to our ability to deliver. We operate with a lean, engineering-led talent base where technical ownership, responsiveness and cross-functional collaboration are critical. Our teams work across software development, hardware integration, production, service, business development, finance, compliance and administration. The nature of our business requires employees to understand both the customer requirement and the system-level implications of their work.

Maintaining, developing and continuously upgrading the required technology team is essential because defence and aerospace technologies change rapidly. We therefore treat day-to-day skill development and exposure to new programmes as core requirements for remaining a preferred system integrator.

During FY26, we had a 100+ strong team with certified engineers and developers. This is a significant capability base for a focused enterprise. It also means that knowledge retention and project continuity are important management priorities. Many customer requirements are specialised, and the ability to retain programme knowledge directly affects delivery quality.

Our culture is built around engineering ownership. We encourage teams to take responsibility for system performance, documentation, timelines and customer response. As our company scales, we will continue to invest in systems, processes and training so that growth does not dilute our engineering discipline.

Continuous Skill Development Preserves Knowledge, Execution Continuity and Technology Readiness

Skill development happens through project exposure, on-the-job learning, technical training, safety drills, software and systems learning, and interaction with customer teams. In a domain where technology evolves continuously, we must ensure that our engineers stay current with RF systems, embedded electronics, data acquisition platforms, simulation tools, LabVIEW, FPGA / signal processing, automation and quality protocols.

Retention is equally important. We aim to provide employees with meaningful technical work, exposure to mission-critical programmes, performance-linked incentives and a culture of ownership. As Project Udaan progresses, our talent needs will expand from system engineering and integration into manufacturing operations, environmental testing, quality assurance, supply chain, production planning and process engineering.

LEADERSHIP AND GOVERNANCE

Experienced Leadership Combines Domain Knowledge, Agility and Long-Term Strategic Direction

FY26 marked the strengthening of our governance framework as a listed company. Our leadership combines founder-led domain experience, second-generation operational involvement, technical expertise and independent Board oversight. The Board includes executive directors with experience in defence, aerospace, system integration, business development and technology, supported by independent directors with experience across banking, investor relations, DRDO, ISRO and defence research. Our organisation remains focused and agile. This helps decision-making, customer response and technical coordination. At the same time, becoming a listed company brings higher expectations around disclosure quality, compliance discipline, Board oversight, investor communication and internal controls. We view this as a natural evolution of our company.

Responsible Governance Anchors Ethics, Transparency, Compliance and Stakeholder Accountability

Our governance framework is based on Board oversight, committee-led review, policy discipline and compliance with applicable provisions of the Companies Act, SEBI regulations and listing requirements. The Board functions as a full Board and through committees constituted to oversee specific areas. These include the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, IPO Committee and Internal Complaints Committee.

The Audit Committee oversees financial reporting, audit process, related party transactions, internal financial controls, risk management systems and utilisation of public issue proceeds. The Nomination and Remuneration Committee oversees Board composition, evaluation, remuneration and leadership-related matters. The Stakeholders Relationship Committee focuses on investor grievances and service standards. The CSR Committee guides the company's social responsibility framework. The Internal Complaints Committee supports workplace dignity and compliance.



**Proactive Risk Management
Protects Execution,
Technology, Supply Chains
and Growth Investments**



**Focused Risk Identification
Addresses Concentration,
Execution, Technology and
Expansion Challenges**

Risk management is integral to our operating model because we work in complex, customer-specific, mission-critical domains. Our risks include project execution timing, supply chain dependence, customer concentration, technology change, quality requirements, cyber exposure, working capital management, regulatory compliance and the successful execution of Project Udaan. We approach these risks through project review, quality systems, customer engagement, process controls and governance oversight.

Risk area	Risk context	Mitigation approach
Project execution and delivery timing	Customer-specific systems may be affected by component lead times, approvals and integration complexity	Project planning, milestone review, customer coordination, parallel software development and improved supply planning
Supply chain and imported hardware	FY26 saw delays in specialised hardware due to global disruptions	Alternative routing discussions with OEMs, better lead-time planning and closer supplier coordination
Customer concentration and tender cycles	Revenue is linked to defence and aerospace customers, government tenders and programme priorities	Broaden applications, deepen repeat relationships, expand private-sector and export readiness, and increase lifecycle support
Project Udaan execution	Material facility expansion could face time, cost, approval and ramp-up risks	Board oversight, phased project monitoring, approved contractor engagement, statutory approvals and disciplined capex tracking
Technology obsolescence	Defence electronics, RF, EW and simulation technologies evolve rapidly	Invest in R&D, reusable platforms, embedded software, RF capability and next-generation systems
Quality and certification risk	Mission-critical customers demand high reliability and compliance	AS9100D / ISO 9001:2015 QMS, functional testing, documentation and customer acceptance discipline
Working capital and receivables	Project-led revenue can create receivable and inventory intensity	Receivable monitoring, inventory control, cash flow review and improved operational discipline
Cyber and information security	Technical designs, customer data and business systems require protection	Access controls, secure systems, employee awareness and periodic IT review to be formalised further
Regulatory and disclosure compliance	Listed-company obligations require timely and accurate filings	Company secretary oversight, Board committee review, compliance calendar and stronger documentation

Diversified Sourcing, Process Discipline and Governance Strengthen Our Operational Resilience

Our control environment is anchored in practical oversight. At the project level, teams monitor scope, procurement, integration, testing and customer acceptance. At the finance level, receivables, inventory, payables, cash flows and debt are reviewed. At the governance level, the Board and committees provide oversight of financial reporting, controls, risk and public-company obligations.

FY26 showed improvement in financial controls. Cash flow from operations improved to Rs. 12.63 crore, debtor days reduced from 221 days to 203 days, and debt-to-equity improved from 0.40 times to 0.04 times. These are important indicators of discipline, although working capital will remain an area of ongoing attention in a project-led business.

Experienced Leadership and Independent Oversight Guide Our Next Phase of Growth



Madhusudhan Varma Jetty
Managing Director

Mr. Madhusudhan Varma Jetty is a Promoter and Chairman and Managing Director of the Company, with over 38 years of experience in defence and space, business development and leadership. He holds degrees in Arts and Public Administration and a Diploma in Business Administration. After 15 years in the Indian Air Force and subsequent corporate experience, he founded Digilogic Systems and has remained associated with the Company since inception.

In the Governance Committees of: IPOC (C), CSR



Radhika Varma Jetty
Whole-time Director

Mrs. Radhika Varma Jetty is a Promoter and Whole-time Director of the Company, with over 17 years of executive-level experience in organisational strategy, business development, resource management and corporate governance. She holds a Bachelor's degree in Arts from the University of Madras and has been associated with the Company since inception.

In the Governance Committees of: CSR, ICC (PO)



Jetty Shashank Varma
Whole-time Director and CEO

Mr. Shashank Varma Jetty is a Promoter, Whole-time Director and Chief Executive Officer of the Company, with over 10 years of experience in automated test equipment, data acquisition, RF applications, system integration, LabVIEW programming and PXI/PXIe platforms. He holds a degree in Electronics and Communication Engineering from VIT University and completed a general management programme for aerospace and aviation executives. He has been associated with the Company since August 2013.

In the Governance Committees of: IPOC, SRC



Hitesh Varma Jetty
Whole-time Director

Mr. Hitesh Varma Jetty is a Promoter and Whole-time Director of the Company, with four years of experience in automated test equipment, data acquisition, RF applications, system integration, LabVIEW programming and PXI/PXIe platforms. He holds a Master of Engineering from Western Ontario University, a Post Graduate Diploma in Embedded Systems Design from C-DAC and an Electronics and Communication Engineering degree from Osmania University. He joined the Company in September 2020.

In the Governance Committees of: SRC



Balasubramanyam Danturti
Independent Director

Mr. Balasubramanyam Danturti is a Non-Executive Independent Director of the Company, with over 36 years of experience across public sector banking and corporate investor relations. He holds a Commerce degree, diplomas in Personnel Management and Industrial Relations and Training and Development, and completed the associate examination of The Indian Institute of Bankers. He previously headed Investor Relations at Adani Enterprises Limited and joined the Company in July 2025.

In the Governance Committees of: AC (C), NRC, SRC



Madadi Ugender Reddy
Independent Director

Mr. Ugender Reddy Madadi is a Non-Executive Independent Director of the Company, with over 35 years of defence experience. He holds Bachelor's and Master's degrees in Technology from Kakatiya University and served as a Scientist with DRDL, part of DRDO, from 1986 to 2022. His recognitions include the DRDL Technology Group Award, DRDO Performance Excellence Awards and a commendation for the Integrated Guided Missiles Programme. He joined the Company in July 2025.

In the Governance Committees of: AC, NRC, CSR (C)



Sesha Rama Srinivasa Sastry Pallela
Independent Director

Dr. Sesha Rama Srinivasa Sastry Pallela is a Non-Executive Independent Director of the Company, with over 40 years of defence experience. He holds qualifications in electronics and engineering, including a doctorate from Jadavpur University. He served at ISRO's Inertial Systems Unit and later with DRDO until 2023. His recognitions include awards for missile actuation systems, the DRDO Path Breaking Research Award and Performance Excellence Award. He joined the Company in July 2025.

In the Governance Committees of: AC, NRC (C)

KEY MANAGERIAL PERSONNEL



Sri Harsha Vadakattu
Chief Financial Officer

Mr. Sri Harsha Vadakattu is a qualified Chartered Accountant & Business Management from XLRI, Jamshedpur with over 17 years of experience in Automobiles, IT, Textiles, Health & Wellness, EPC & Dairy. He is also a certified Independent Director accredited by IICA.



Kameswara Rao Vempati,
Company Secretary & Compliance Officer

Mr. Kameswara Rao Vempati is a qualified Company Secretary & Law Graduate with over 15 years of experience in Legal, Secretarial & Corporate Governance covering Infra, EV to name a few.

AWARDS & RECOGNITIONS

Year		Recognition / Awarding Entity	Achievement	Significance
2025		CHESS-DRDO	Appreciation for successful development and supply of Fine Pointing System hardware	Reinforces Digilogic's capability in advanced defence hardware development and supply.
2025		Tektronix	High Growth Partner recognition	Acknowledges year-on-year performance, customer expansion and delivery of advanced test and measurement solutions.
2025		Tektronix	100% Club award	Recognises consistent sales excellence and commitment to high-performance test and measurement solutions.
2023		ISRO	Letter of Appreciation for contribution to Chandrayaan-3 and Aditya-L1 missions	Recognises contribution through hardware development, timely deliveries and dedicated testing for landmark space missions.
2020		LRDE-DRDO	Letter of Appreciation for Wideband Ground Checkout System	Highlights commitment, professionalism, technical expertise and successful delivery.
2018		National Instruments	Regional Alliance Partner of the Year – EMEA	Recognises Digilogic's alliance strength and contribution within the NI ecosystem.
2016		NI Engineering Impact Awards	Finalist	Recognises innovative engineering application using NI software and hardware.
2016		National Instruments	Gold Alliance Partner	Recognises Digilogic's role in system integration and application software / algorithm development.
2015		National Instruments	Application of the Year	Recognises Portable DRFM Based Radar Echo Simulation System for radar target-characteristic simulation.
2015		National Instruments	Winner – Alliance Partner Category	Recognises Digilogic's alliance-led engineering and solution delivery capability.
2014		National Instruments	Emerging Markets Alliance Partner of the Year	Recognises Digilogic's performance and contribution as an alliance partner in emerging markets.

NOTICE OF 15TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 15th Annual General Meeting (AGM) of the Shareholders of **DIGILOGIC SYSTEMS LIMITED** (formerly known as Digilogic Systems Private Limited) (the "company") will be held on Monday, September 21, 2026 at 11:00 AM (IST) through Video Conferencing (VC/ Other Audio-Visual Means ("OAVM")) to transact the following business. The venue of the meeting shall be deemed to be registered office of the Company at #102, 1ST Floor, DSL Abacus Tech Park Uppal Kalsa Village, Uppal Mandal, Rangareddi, Telangana- 500 039.

ORDINARY BUSINESS:

- To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 31st March, 2026 and Report 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 Financial Statements of the Company for the year ended 31st March, 2026 together with the Report of the Board of Directors and the Auditors be and are hereby considered, approved and adopted.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- To appoint a Director in place of Mr. Jetty Shashank Varma (DIN: 03370303), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 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 Mr. Jetty Shashank Varma, Director (DIN: 03370303), who retires by rotation at this meeting in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for reappointment, be and is hereby reappointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS:

- To take approval for advance any loan/give guarantee/ provide security under section 185 of the Companies act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions, if any of the Companies Act, 2013 and read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, and based on the recommendation of the Audit Committee and approval of Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution), for giving loan(s) in one or more tranches including loan represented by way of book debt (the "Loan") to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Directors of the Company is deemed to be interested as specified in the explanation to sub-section 2 of section 185 of the Act (collectively referred to as the "Entities"), for an aggregate amount not exceeding Rs.5,00,00,000/- (Rupees Five Crores Only), in its absolute discretion deem beneficial and in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company and /or Company Secretary of the Company and /or CFO of the Company be and are hereby severally authorized to negotiate, finalise and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.

- Revision in the terms of remuneration of Mr. Madhusudhan Varma Jetty (DIN: 02247769), Managing Director of the company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **"Special Resolution"**:

"RESOLVED THAT, pursuant to the provisions of

Sections 2(54), 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the Articles of Association of the company and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other approvals, consents and permissions as may be necessary, and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, the consent of the Members be and is hereby accorded to revise the remuneration to Mr. Madhusudhan Varma Jetty, Managing Director of the Company for the remaining tenure of his appointment to ₹1,44,00,000 (Rupees One Crore Forty Four Lakhs only) Per Annum and 1.5% of Net Profit from the FY 2026-27 on the following terms and conditions as set out below:

A. Fixed Remuneration; An amount of ₹1,44,00,000 (Rupees One Crore Forty-Four Lakhs only) Per Annum prorated & payable monthly and bifurcation of the same shall be as follows:

1. **Salary:** ₹1,44,00,000 (Rupees One Crore Forty-Four Lakhs only) Per Annum.
2. **Perquisites/Allowances:**
 - a. Provision of a company-owned car for official use, with all expenses relating to its maintenance, fuel, insurance and driver, if any, to be borne by the Company.
 - b. Medical expenses reimbursement including premium paid for Medclaim policy incurred not exceeding ₹10,00,000 (Rupees Ten Lakhs Only) Per Annum.

B. Variable Remuneration:

1.5% of Net Profit effective from FY 2026-27.

RESOLVED FURTHER THAT if the Company has no profits or its profits are inadequate, the Company will pay the remuneration by way of salary and perquisites / allowances as specified above and 1.5% of Net Profit respectively subject to compliance with the applicable provisions of Schedule V to the Act, that such remuneration shall be treated as the minimum remuneration to be payable to Mr. Madhusudhan Varma Jetty in the absence or inadequacy of profits in accordance with the provisions of Section 197 other applicable provisions if any of the Act read with Schedule

V thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT Board of Directors of the Company and/or Company Secretary of the Company be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution, including sign and execute documents, filing of the necessary forms and to do all such acts, deeds and things as may be required or deemed expedient to implement this resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company."

5. Revision in the terms of remuneration of Mrs. Radhika Varma Jetty (DIN: 03370284), Whole-time Director of the company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **"Special Resolution"**:

"RESOLVED THAT, pursuant to the provisions of Sections 2(54), 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the Articles of Association of the company and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other approvals, consents and permissions as may be necessary, and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, the consent of the Members be and is hereby accorded to revise the remuneration to Mrs. Radhika Varma Jetty, Whole-time Director of the Company for the remaining tenure of her appointment to ₹48,00,000 (Rupees Forty-Eight Lakhs only) Per Annum and 0.5% of Net Profit from the FY 2026-27 on the following terms and conditions as set out below:

A. Fixed Remuneration; An amount of ₹48,00,000 (Rupees Forty-Eight Lakhs only) Per Annum prorated & payable monthly and bifurcation of the same shall be as follows:

1. **Salary:** ₹48,00,000 (Rupees Forty-Eight Lakhs only) Per Annum.
2. **Perquisites/Allowances:**
 - a. Provision of a company-owned car for official use, with all expenses relating to its maintenance, fuel, insurance and driver, if any, to be borne by the Company.

- b. Medical expenses reimbursement including premium paid for Mediclaim policy incurred not exceeding ₹10,00,000 (Rupees Ten Lakhs Only) Per Annum.

B. Variable Remuneration:

0.5% of Net Profit effective from FY 2026–27.

RESOLVED FURTHER THAT if the Company has no profits or its profits are inadequate, the Company will pay the remuneration by way of salary and perquisites / allowances as specified above and 0.5% of Net Profit respectively subject to compliance with the applicable provisions of Schedule V to the Act, that such remuneration shall be treated as the minimum remuneration to be payable to Mrs. Radhika Varma Jetty in the absence or inadequacy of profits in accordance with the provisions of Section 197 other applicable provisions if any of the Act read with Schedule V thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT Board of Directors of the Company and/or Company Secretary of the Company be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution, including sign and execute documents, filing of the necessary forms and to do all such acts, deeds and things as may be required or deemed expedient to implement this resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company."

6. Revision in the terms of remuneration of Mr. Jetty Shashank Varma (DIN: 03370303), Whole-time Director and CEO of the company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **"Special Resolution"**:

"RESOLVED THAT, pursuant to the provisions of Sections 2(54), 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the Articles of Association of the company and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other approvals, consents and permissions as may be necessary, and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, the consent of the Members be and is hereby accorded to revise the remuneration to Mr. Jetty Shashank Varma, Whole-

time Director & CEO of the Company for the remaining tenure of his appointment to ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum and 3% of Net Profit from the FY 2026-27 on the following terms and conditions as set out below:

A. Fixed Remuneration; An amount of ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum prorated & payable monthly and bifurcation of the same shall be as follows:

1. **Salary:** ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum.
2. **Perquisites/Allowances:**
 - a. Provision of a company-owned car for official use, with all expenses relating to its maintenance, fuel, insurance and driver, if any, to be borne by the Company.
 - b. Medical expenses reimbursement including premium paid for Mediclaim policy incurred not exceeding ₹10,00,000 (Rupees Ten Lakhs Only) Per Annum.
 - c. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or together are not taxable under the Income tax Act.
 - d. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

B. Variable Remuneration:

3% of Net Profit effective from FY 2026–27.

RESOLVED FURTHER THAT if the Company has no profits or its profits are inadequate, the Company will pay the remuneration by way of salary and perquisites / allowances as specified above and 3% of Net Profit respectively subject to compliance with the applicable provisions of Schedule V to the Act, that such remuneration shall be treated as the minimum remuneration to be payable to Mr. Jetty Shashank Varma in the absence or inadequacy of profits in accordance with the provisions of Section 197 other applicable provisions if any of the Act read with Schedule V thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT Board of Directors of the Company and/or Company Secretary of the Company be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution, including sign and execute documents, filing of the necessary forms and to do all such acts, deeds and things as may be required or deemed expedient to implement

this resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company."

7. Revision in the terms of remuneration of Mr. Hitesh Varma Jetty (DIN: 10648537), Whole-time Director of the company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **"Special Resolution"**:

"RESOLVED THAT, pursuant to the provisions of Sections 2(54), 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the Articles of Association of the company and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other approvals, consents and permissions as may be necessary, and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, the consent of the Members be and is hereby accorded to revise the remuneration to Mr. Hitesh Varma Jetty, Whole-time Director of the Company for the remaining tenure of his appointment to ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum and 3% of Net Profit from the FY 2026-27 on the following terms and conditions as set out below:

A. Fixed Remuneration: An amount of ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum prorated & payable monthly and bifurcation of the same shall be as follows:

1. **Salary:** ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum.
2. **Perquisites/Allowances:**
 - a. Provision of a company-owned car for official use, with all expenses relating to its maintenance, fuel, insurance and driver, if any, to be borne by the Company.
 - b. Medical expenses reimbursement including premium paid for Mediclaim policy incurred not exceeding ₹10,00,000 (Rupees Ten Lakhs Only) Per Annum.

- c. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or together are not taxable under the Income tax Act.
- d. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

B. Variable Remuneration:

3% of Net Profit effective from FY 2026-27.

RESOLVED FURTHER THAT if the Company has no profits or its profits are inadequate, the Company will pay the remuneration by way of salary and perquisites / allowances as specified above and 3% of Net Profit respectively subject to compliance with the applicable provisions of Schedule V to the Act, that such remuneration shall be treated as the minimum remuneration to be payable to Mr. Hitesh Varma Jetty in the absence or inadequacy of profits in accordance with the provisions of Section 197 other applicable provisions if any of the Act read with Schedule V thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT Board of Directors of the Company and/or Company Secretary of the Company be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution, including sign and execute documents, filing of the necessary forms and to do all such acts, deeds and things as may be required or deemed expedient to implement this resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company."

By order of the Board
DIGILOGIC SYSTEMS LIMITED
 (Formerly known as Digilogic Systems Private Limited)

Sd/-
Kameswara Rao Vempati
 Company Secretary & Compliance Officer
 Membership No. A60095

Place: Hyderabad
 Date: 22.08.2026

NOTES:

- 1) The relevant statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") in respect of item nos. 3, 4, 5, 6 and 7 of the Notice set out above is annexed herewith.
- 2) The Ministry of Corporate Affairs ("MCA") permitted holding of the AGM through VC/OAVM, without physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the 15th AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM. Further, all resolutions in the meeting shall be passed through the facility of e-voting/electronic system. [General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated May 5, 2020/ General Circular Nos. 09/2024 dated September 19, 2024 and subsequent circulars General Circular Nos. 03/2025 dated September 22, 2025 issued in this regard, the latest being in relation to "Clarification on holding of AGM through VC/ OAVM, collectively referred to as "MCA Circulars" and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12 May 2020, SEBI/ HO/CFD/ CMD2/CIR/P/2021/11 dated 15 January 2021, SEBI/ HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 and SEBI/HO/DDHS/DDHSRACPOD1/ P/ CIR/2023/001 dated 5 January 2023 and SEBI/ HO/CFD/CFDPoD-2/P/CIR/2023/167 dated 7 October 2023 and latest SEBI Circular No. SEBI/HO/CFD/CFD-PoD2/P/ CIR/2024/133 dated October 3, 2024]
- 3) Although, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself/ herself, but since this meeting is being held through VC/OAVM under the framework of MCA and SEBI circulars, where physical presence of members has been dispensed with, the facility of appointment of proxy will not be available. Hence, the proxy form and attendance slip are not annexed hereto.
- 4) Since the AGM will be held through VC / OAVM, the Route Map, proxy forms and attendance slips are not annexed to this Notice.
- 5) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) shall send scan of certified true copy of the Board Resolution/ Authority letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Company at cs@digilogicsystems.com to attend the AGM.
- 6) In compliance with the Circulars, the financial statement including Board's Report, Auditor's Report or other documents required to be attached therewith (together referred to as Annual Report FY 2025-26) and Notice of AGM are being sent in electronic mode to Shareholders whose e-mail address is registered with the Company or the Depository Participant(s) ('DPs') as on Friday, August 21, 2026 and to all other persons so entitled. The Company shall send a physical copy of the Annual Report to those Shareholders who specifically request for the same at cs@digilogicsystems.com mentioning their Folio No./ DP ID and Client ID.
- 7) In line with the Circulars, the Notice calling the AGM along with Annual Report FY 2025-26 has also been uploaded on the website of the Company at www.digilogicsystems.com The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of KFin Technologies Limited (agency for providing the Remote e-Voting facility) i.e. <https://evoting.kfintech.com>
 Additionally, in accordance with Regulation 36(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company is also sending a letter to Shareholders whose e-mail address is not registered with the Company or its Registrar and Share Transfer Agent viz. KFin Technologies Limited ('RTA')/ DPs providing the exact web-link of Company's website from where the Annual Report for financial year 2025-26 can be accessed.
- 8) The Shareholders can join the AGM through VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1,000 Shareholders on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 9) The attendance of the Shareholders attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 (the 'Act').
- 10) Information under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meetings, in respect of the Director seeking re-appointment at the AGM, forms integral part of the Notice.

- 11) All documents referred to in the Notice are available for inspection through secured electronic mode by writing to the Company at its email ID: cs@digilogicsystems.com till the date of the meeting.
- 12) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and other documents referred to in the Explanatory Statement will be available electronically for inspection without any fee by the Shareholders upon login at <https://evoting.kfintech.com>
- 13) SEBI has mandated the submission of PAN by every participant in securities market. Shareholders holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form are requested to submit their PAN details to the Company's RTA i.e., KFin Technologies Limited
- 14) SEBI vide its Circulars dated July 31, 2023 and August 4, 2023, read with Master Circular dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES 2.0 platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).
- 15) AGM shall be convened through VC/ OAVM in compliance with applicable provisions of the Act read with Circulars.
- 16) Mr. D. Hanumantha Raju & Co., Practicing Company Secretary Firm, has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- 17) The Scrutinizer shall submit, not later than 2 working days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same.
- 18) The Results shall be declared by the Chairman or the person authorised by him in writing not later than 2 working days of conclusion of the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website (www.digilogicsystems.com) and on the website of KFINTECH (<https://evoting.kfintech.com>) immediately after the result is declared by the Chairman or a person authorised by him. The Results shall also be immediately forwarded to the BSE Limited.
- 19) To prevent fraudulent transactions, Shareholders are advised to exercise due diligence and notify the Company of any change in address or staying abroad or demise of any Shareholder as soon as possible. Shareholders are also advised not to leave their demat account(s) dormant for a long period. The statement of holdings should be obtained from the concerned DPs and holdings should be verified periodically.
- 20) The Company's Registrar and Transfer Agent for its share registry work is KFin Technologies Limited (herein after referred to as "RTA"). All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Share Transfer Agents, at the address mentioned below: M/s. KFin Technologies Limited.

KFin Technologies Limited

(Formerly known as KFin Technologies Private Limited)
Selenium Building, Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana India - 500 032.
CIN L72400MH2017PLC444072

Ph.no: +91 40 7961 5565

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

PROCEDURE FOR REMOTE E-VOTING

- i. Pursuant to SEBI Master Circular bearing reference no. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, as amended, 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. Individual demat account holders would now be able to cast their vote without having any further requirement to register 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.
- ii. The remote e-Voting period commences on **Thursday, September 17, 2026 (9.00 A.M. IST) and ends on Sunday, September 20, 2026 (5.00 P.M. IST).**
- iii. 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.
- iv. 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 evoting@kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting, then he /she can use his / her existing User ID and password for casting the vote.
- v. In case of 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 follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

THE DETAILS OF THE PROCESS AND MANNER FOR REMOTE E-VOTING ARE AS UNDER:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Member already registered for IDeAS facility may follow the below steps:
	I. Visit the URL: https://eservices.nsdl.com
	II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.
	III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" under e-voting services.
	IV. Click on company name or e-Voting service provider i.e. KFintech and you will be re-directed to KFintech website for casting your vote.
	2. Members who have not registered for IDeAS facility may follow the below steps:
	I. To register click on link: https://eservices.nsdl.com
	II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	III. On completion of the registration formality, follow the steps provided above.
	3. Members may alternatively vote by directly accessing the e-Voting website of NSDL:
	I. Visit the URL: https://www.evoting.nsdl.com/
	II. Click on the icon "Login" which is available under 'Shareholder/Member' section.
	III. Enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.
	IV. Post successful authentication, you will requested to select the name of the company or the e-Voting Service Provider name, i.e.KFintech.
	V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Members already registered for Easi/Easiest facility may follow the below steps: a) Visit the following URL: https://web.cdslindia.com/myeasitoken/home/login/ or www.cdslindia.com b) Click on the "Login" icon and opt for "My Easi New(Token)" (only applicable when using the URL: www.cdslindia.com) c) On the new screen, enter User ID and Password. Without any further authentication, the e-voting page will be made available. d) Click on Company name or e- voting service provider name, i.e., KFintech to cast your vote. 2. Members who have not registered for Easi/ Easiest facility may follow the below steps: a) To register for this facility, visit the URL: https://web.cdslindia.com/myeasitoken/Home/EasiRegistration or https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration b) On completion of the registration formality, follow the steps provided above. 3. Members may alternatively vote by directly accessing the e-Voting website of CDSL: a) Visit the URL: https://evoting.cdslindia.com/Evoting/EvotingLogin b) Enter the demat account number and PAN c) Enter OTP received on mobile number & email registered with the demat account for authentication. d) Post successful authentication, the shareholder will receive links for the respective e-voting service provider, i.e., KFintech where the e-voting is in progress
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. Members may alternatively login using the credentials of the demat account through their DP registered with NSDL /CDSL for e-Voting facility. II. On clicking the E-voting icon, members will be redirected to NSDL / CDSL Depository site on successful authentication. III. Members may then click on Company name or e-Voting service provider – Kfintech and will be redirected to e-Voting website of KFintech for casting their vote without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk details for Individual Shareholders holding securities in demat mode related to login through Depository i.e. NSDL and CDSL are as under:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-62343625, 022-62343626, 022-62343259, or 1800 210 9911

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode.

Members whose email IDs are registered with the Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- Visit the URL: <https://evoting.kfintech.com/>
- Enter the login credentials (i.e. User ID and password). User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- After entering these details appropriately, click on "LOGIN".

- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Hindustan Aeronautics Limited' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail id i.e. thr300@gmail.com with a copy marked to evoting@kfintech.com The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even No."

INSTRUCTIONS FOR ALL THE MEMBERS FOR ATTENDING THE AGM OF THE COMPANY THROUGH VC/OAVM AND E-VOTING DURING THE MEETING.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by Kfintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from Kfintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
 - ii. Facility for joining AGM through VC/ OAVM shall open at least 30 minutes before the commencement of the Meeting.
 - iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
 - iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number, email id, and mobile number at cs@digilogicssystems.com
- Questions/ queries received by the Company till September 17, 2026 (5.00 P.M.)** shall only be considered for response during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
 - vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
 - viii. Facility of joining the AGM through VC / OAVM shall be available for members on first come first served basis.

- ix. Institutional Members are encouraged to attend and vote at the AGM.

OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password received from Kfintech in the mail. On successful login, select 'Speaker Registration' which will be opened from **September 16, 2026 (9.00 A.M. IST) to September 17, 2026 (5.00 P.M. IST)**. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do so by visiting <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option, which will be opened from **September 16, 2026 (9.00 A.M. IST) to September 17, 2026 (5.00 P.M. IST)**.
- III. 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 download section of <https://evoting.kfintech.com> (Kfintech Website) or contact Ms. Premkumar Nair, at einward.ris@kfintech.com and/ or at evoting@kfintech.com or call Kfintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **September 14, 2026, being the cut-off date** are only entitled to vote on the Resolutions set forth in this Notice. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- V. 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 obtain the User ID and Password in the manner as mentioned below:

- i. If the mobile number of the member is registered against DP ID Client ID, the member may send SMS: MYEPWD <space> DP ID Client ID to 9212993399
 1. Example for NSDL: MYEPWD <SPACE> IN12345612345678
 2. Example for CDSL: MYEPWD <SPACE> 1402345612345678
- ii. If e-mail address or mobile number of the member is registered against DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter DP ID Client ID and PAN to generate a password.

Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at **toll free number 1800 309 4001**.

By order of the Board
DIGILOGIC SYSTEMS LIMITED
 (Formerly known as Digilogic Systems Private Limited)

Sd/-
Kameswara Rao Vempati
 Company Secretary & Compliance Officer
 Membership No. A60095

Place: Hyderabad
 Date: 22.08.2026

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.

ITEM NO.3

Pursuant to Section 185 of the Companies Act, 2013 ("the Act"), a Company may advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken by any entity (said entity(ies) covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to Section 185(2)(b) of the Companies Act, 2013, after passing a Special Resolution in the general meeting.

It is proposed to make loan(s) including loan represented by way of Book Debt to, and/or give guarantee(s) and/or provide security(ies) in connection with any loan taken/to be taken by the Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested as specified in the explanation to Section 185(2)(b) of the Act (collectively referred to as the "Entities"), from time to time, for the purpose of capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for its principal business activities and other matters connected and incidental thereto, within the limits as mentioned in the Item no. 3 of the notice.

The members may note that Audit Committee and Board of Directors would carefully evaluate the proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, and the proposed loan shall be at such rate of interest as agreed by the parties in the best interest of the Company and shall be used by the borrowing company for its principal business activities only.

The Board Members recommend the resolution set forth in Item no. 3 of the notice for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any

ITEM NO.4

1. Mr. Madhusudhan Varma Jetty was the First Subscriber and director of the Company and subsequently he became a Managing director on 05.01.2012.
2. Based on recommendations of the Nomination & Remuneration Committee and the Board of Directors the Company was appointed Mr. Madhusudhan Varma

Jetty as the Managing Director of the Company for a period of 3 (three) years effective from 25th July, 2025 with remuneration of:

- a) Salary :
₹1,44,00,000/- per annum.
- b) Perquisites/Allowances:
 - (i) Medical expenses including premium paid for Medclaim policy incurred for self and family shall be reimbursed.
 - (ii) Provision of Car with driver, mobile phone and Telephone at the residence

3. Further, the Company has recently Listed on the BSE SME platform w.e.f. 28.01.2026.
4. Where in any financial year, during the tenure of the managerial person, if a Company has no profits or its profits are inadequate, it may without Central Govt. approval, pay remuneration to the managerial person not exceeding higher of the limits mentioned under (A) and (B) of Section 2 of Part II of Schedule V of the Companies Act, 2013.
5. The Company's business has increased significantly in last 2 years, Company got listed in BSE SME platform on 28.01.2026.
6. Nomination and Remuneration Committee and Board of Directors at its meeting held on August 22, 2026 have approved to revise the remuneration to Mr. Madhusudhan Varma Jetty, Managing Director of the Company to ₹1,44,00,000 (Rupees One Crore Forty-Four Lakhs only) Per Annum and 1.5% of Net Profit from the FY 2026-27.

The principal terms of revision in remuneration are as follows:

- A. Fixed Remuneration;** An amount of ₹1,44,00,000 (Rupees One Crore Forty-Four Lakhs only) Per Annum prorated & payable monthly and bifurcation of the same shall be as follows:
 1. **Salary:** ₹1,44,00,000 (Rupees One Crore Forty-Four Lakhs only) Per Annum.
 2. **Perquisites/Allowances:**
 - a. Provision of a company-owned car for official use, with all expenses relating to its maintenance, fuel, insurance and driver, if any, to be borne by the Company.
 - b. Medical expenses reimbursement including premium paid for Medclaim policy incurred not exceeding ₹10,00,000 (Rupees Ten Lakhs Only) Per Annum.

B. Variable Remuneration:

1.5% of Net Profit effective from FY 2026-27.

Mr. Madhusudhan Varma Jetty will continue to be the

Chairman & Managing Director and shall not be subject to retirement by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013.

Further, approval of the members in General Meeting by way of a Special resolution is required to be obtained for revise the remuneration, by way of salary and perquisites and allowances as specified above in the event of absence or inadequacy of profit in any financial year during the tenure of Mr. Madhusudhan Varma Jetty as the Chairman & Managing Director of the Company.

A statement referred to in Section II, Part II of Schedule V, of the Companies Act, 2013 is stated below:

I. General Information:

- i) Nature of Industry:
 - a. Other information technology and computer service activities N.E.C.
 - b. Other professional, scientific and technical

activities N.E.C.

- c. Manufacture of radar equipment, GPS devices, search, detection, navigation, aeronautical and nautical equipment
- ii) Date or expected date of commencement of commercial production: It is an established company and the company incorporated on 09.12.2011 as Private Limited and latter converted into Public Company dt. 01.07.2025 and further Company was listed on BSE SME platform w.e.f. 28.01.2026.
- iii) In case of New Companies expected date of commencement as per project approved by financial Institutions appearing in the prospectus: Not applicable.
- iv) Financial Performance based on given indicators.

The turnover and profitability of FY 2024-25 & 2025-26 are furnished below:

(Rs. In Lakhs)

Particulars	2024-25	2025-26
Revenue from operations	7,205.98	7,743.14
Other Income	13.35	83.77
Total Income	7,219.33	7,826.91
Profit before finance cost, depreciation and amortization and tax expense	1,366.95	1,696.95
Finance Cost	143.41	140.03
Profit before depreciation and amortization and tax expense	1,223.54	1,556.92
Depreciation and amortization expense	170.59	181.20
Profit before Tax Expense	1,052.95	1,375.72
Tax Expense	273.61	332.76
Profit/(Loss) After Tax	779.34	1,042.97

Regarding default in the repayment of its dues (including Public Deposits) or interest payments thereon are: Nil

The Company has not issued any debentures.

- v) Foreign Investments or collaboration, if any: Nil

II. INFORMATION ABOUT THE MANAGING DIRECTOR PROPOSED FOR REVISED REMUNERATION:

1. Background details:

Mr. Madhusudhan Varma Jetty has more than 30 years of experience in defense and Aerospace industry. He began his professional journey with the Indian Air Force, where he served with distinction as a Sergeant (SGT), following the completion of his contractual service, he transitioned into the corporate sector, leveraging his technical and leadership skills in various capacities across multiple private organizations. He has been Director of the Company since incorporation of the Company dt. 09.12.2011

2. Past Remuneration (Limit approved in the last members meeting):

- a) Salary
 - Rs. 1,44,00,000/- per annum.
- b) Perquisites/Allowances:
 - (i) Medical expenses including premium paid for Mediclaim policy incurred for self and family shall be reimbursed.
 - (ii) Provision of Car with driver, mobile phone and Telephone at the residence

3. Recognition of Awards

The Company has received Various awards and recognition during his tenure such as:

- letter of appreciation for Contribution Towards Data Acquisition for Static Test from Centre for Advanced Systems, DRDO, Ministry of Defence - 2025
- letter of appreciation for exceptional effort put into the Missile Rear Section Tester, Spares, Training and Documentation from Project MRSAM(IAF), Research Centre Imrat (RCI), DRDO, Ministry of Defence, Vignyanakancha, Hyderabad – 2024
- letter of appreciation for contribution towards Chandrayaan-3 and Aditya-L1 Mission from Indian Space Research Organisation ("ISRO") – 2023

4. Job profile and suitability

More than 30 years of experience in defense and Aerospace industry, he is the founder director

of the company and led the company in the business relating to data acquisition systems, ground check out systems, industrial grade PCS and peripherals, development of application software's and other allied activities.

5. Remuneration proposed

Remuneration as set out in the resolution under Item No. 4 of the Notice.

6. Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person

Considering the Company's size, operations, growth, and industry benchmarks, Mr. Madhusudhan Varma Jetty remuneration is tune with industry standards for similar senior-level positions.

7. pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Related persons of the Managerial personnel as mentioned below:

Sl. No.	Name	Designation	Nature of Relationship
1	Radhika Varma Jetty	Whole time Director	Spouse
2	Jetty Shashank Varma	Whole time Director & CEO	Son
3	Hitesh Varma Jetty	Whole time Director	Son

III. Other information:

1. Reasons for inadequate profits:

The Company has inadequate profits during the relevant financial year, primarily due to challenging business conditions and competition. The management remains confident that the expansion initiatives, operational efficiencies, and strategic measures undertaken by the Company will strengthen its business and contribute to improved financial performance and profitability in the ensuing years.

2. Steps taken or proposed to be taken for improvement

The management is taking various initiatives including exploring new markets, improving operational efficiencies, expanding the business and restructuring certain business segments to improve profitability in the coming years.

The Company is taking steps to improve operational efficiency, productivity, and profitability. The Company will achieve significant growth and improved financial performance in the coming years, which will enable it to adequately meet the proposed aggregate remuneration payable to the managerial personnel

3. Expected increase in productivity and profits in measurable terms

With the measures undertaken, the company expects to achieve revenue growth and improve profitability in the next 2 financial years. This is based on internal projections and current market trends.

The terms and conditions mentioned in Item No.4 of the notice may also be taken as an abstract of the Agreement to be made by the Company with Mr. Madhusudhan Varma Jetty, pursuant to Section 190 of the Companies Act, 2013.

Except Mr. Madhusudhan Varma Jetty, and Mrs. Radhika Varma Jetty, Mr. Jetty Shashank Varma and Mr. Hitesh Varma Jetty directors being relatives, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP are concerned or interested either financially or otherwise in the Resolution at Item No. 4 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

ITEM NO.5

- Mrs. Radhika Varma Jetty was the First Subscriber and director of the Company and subsequently she became a Whole-time director on 25.07.2025.

2. Based on recommendations of the Nomination & Remuneration Committee and the Board of Directors the Company was appointed Mrs. Radhika Varma Jetty as the Whole-time Director of the Company for a period of 3 (three) years effective from 25th July, 2025 with remuneration of:
 - a) Salary:
₹48,00,000/- per annum
 - b) Perquisites/Allowances
 - (i) Medical expenses including premium paid for Mediclaim policy incurred for self and family shall be reimbursed.
 - (ii) Provision of Car with driver, mobile phone and Telephone at the residence
3. Further, the Company has recently Listed on the BSE SME platform w.e.f. 28.01.2026.
4. Where in any financial year, during the tenure of the managerial person, if a Company has no profits or its profits are inadequate, it may without Central Govt. approval, pay remuneration to the managerial person not exceeding higher of the limits mentioned under (A) and (B) of Section 2 of Part II of Schedule V of the Companies Act, 2013.
5. The Company's business has increased significantly in last 2 years, Company got listed in BSE SME platform on 28.01.2026.
6. Nomination and Remuneration Committee and Board of Directors at its meeting held on August 22, 2026 have approved revise the remuneration to Mrs. Radhika Varma Jetty, Whole-time Director of the Company to ₹48,00,000 (Rupees Forty-Eight Lakhs only) Per Annum and 0.5% of Net Profit from the FY 2026-27.

The principal terms of revision in remuneration are as follows:

A. Fixed Remuneration; An amount of ₹48,00,000 (Rupees Forty-Eight Lakhs only) Per Annum prorated & payable monthly and bifurcation of the same shall be as follows:

1. Salary

₹48,00,000 (Rupees Forty-Eight Lakhs only) Per Annum.

2. Perquisites/Allowances:

- a. Provision of a company-owned car for official use, with all expenses relating to its maintenance, fuel, insurance and driver, if any, to be borne by the Company.
- b. Medical expenses reimbursement including premium paid for Mediclaim policy incurred not exceeding ₹10,00,000 (Rupees Ten Lakhs Only) Per Annum.

B. Variable Remuneration:

0.5% of Net Profit effective from FY 2026-27.

Mrs. Radhika Varma Jetty will continue to be the Whole-time Director, subject to retirement by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013.

Further, approval of the members in General Meeting by way of a Special resolution is required to be obtained for revise the remuneration, by way of salary and perquisites and allowances as specified above in the event of absence or inadequacy of profit in any financial year during the tenure of Mrs. Radhika Varma Jetty as a Whole-time Director of the Company.

A statement referred to in Section II, Part II of Schedule V, of the Companies Act, 2013 is stated below:

I. General Information:

- i) Nature of Industry:
 - a. Other information technology and computer service activities N.E.C.
 - b. Other professional, scientific and technical activities N.E.C.
 - c. Manufacture of radar equipment, GPS devices, search, detection, navigation, aeronautical and nautical equipment
- ii) Date or expected date of commencement of commercial production: It is an established company and the company incorporated on 09.12.2011 as Private Limited and latter converted into Public Company dt. 01.07.2025 and further Company was listed on BSE SME platform w.e.f. 28.01.2026.
- iii) In case of New Companies expected date of commencement as per project approved by financial Institutions appearing in the prospectus: Not applicable.

- iv) Financial Performance based on given indicators.

The turnover and profitability of FY 2024-25 & 2025-26 are furnished below:

(Rs. In Lakhs)

Particulars	2024-25	2025-26
Revenue from operations	7,205.98	7,743.14
Other Income	13.35	83.77
Total Income	7,219.33	7,826.91
Profit before finance cost, depreciation and amortization and tax expense	1,366.95	1,696.95
Finance Cost	143.41	140.03
Profit before depreciation and amortization and tax expense	1,223.54	1,556.92
Depreciation and amortization expense	170.59	181.20
Profit before Tax Expense	1,052.95	1,375.72
Tax Expense	273.61	332.76
Profit/(Loss) After Tax	779.34	1,042.97

Regarding default in the repayment of its dues (including Public Deposits) or interest payments thereon are: Nil

The Company has not issued any debentures.

- v) Foreign Investments or collaboration, if any: Nil

II. INFORMATION ABOUT THE WHOLE-TIME DIRECTOR PROPOSED FOR REVISED REMUNERATION:

1. Background details:

Mrs. Radhika Varma Jetty has extensive executive-level experience of 17 years in field of organizational strategy, business development, resource management, and corporate governance. She has been Director of the Company since incorporation of the Company dt. 09.12.2011.

2. Past Remuneration: (Limit approved in the last members meeting):

- Salary
Rs.48,00,000/- per annum.
- Perquisites/Allowances
 - Medical expenses including premium paid for Mediclaim policy incurred for self and family shall be reimbursed.
 - Provision of Car with driver, mobile phone and Telephone at the residence

3. Recognition of Awards:

The Company has received Various awards and recognition during her tenure such as:

- letter of appreciation for Contribution Towards Data Acquisition for Static Test from Centre for Advanced Systems, DRDO, Ministry of Defence - 2025

- letter of appreciation for exceptional effort put into the Missile Rear Section Tester, Spares, Training and Documentation from Project MRSAM(IAF), Research Centre Imrat (RCI), DRDO, Ministry of Defence, Vignyanakancha, Hyderabad - 2024
- letter of appreciation for contribution towards Chandrayaan-3 and Aditya-L1 Mission from Indian Space Research Organisation ("ISRO") - 2023

4. Job profile and suitability

Mrs. Radhika Varma Jetty is one of the Promoter and Whole-time Director of our Company. She holds a bachelor's degree in Arts from the University of Madras. She has extensive executive-level experience of 17 years in field of organizational strategy, business development, resource management, and corporate governance. She has been associated with the Company from its inception.

5. Remuneration proposed

Remuneration as set out in the resolution under Item No. 5 of the Notice.

6. Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person:

Considering the Company's size, operations, growth, and industry benchmarks, Mrs. Radhika Varma Jetty remuneration is tune with industry standards for similar senior-level positions.

7. pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Related persons of the Managerial personnel as mentioned below:

Sl. No.	Name	Designation	Nature of Relationship
1	Madhusudhan Varma Jetty	Chairman & Managing Director	Spouse
2	Jetty Shashank Varma	Whole time Director & CEO	Son
3	Hitesh Varma Jetty	Whole time Director	Son

III. Other information:

1. Reasons for inadequate profits:

The Company has inadequate profits during the relevant financial year, primarily due to challenging business conditions and competition. The management remains confident that the expansion initiatives, operational efficiencies, and strategic measures undertaken by the Company will strengthen its business and contribute to improved financial performance and profitability in the ensuing years.

2. Steps taken or proposed to be taken for improvement:

The management is taking various initiatives including exploring new markets, improving operational efficiencies, expanding the business and restructuring certain business segments to improve profitability in the coming years.

The Company is taking steps to improve operational efficiency, productivity, and profitability. The Company will achieve significant growth and improved financial performance in the coming years, which will enable it to adequately meet the proposed aggregate remuneration payable to the managerial personnel.

3. Expected increase in productivity and profits in measurable terms:

With the measures undertaken, the company expects to achieve revenue growth and improve profitability in the next 2 financial years. This is based on internal projections and current market trends.

Except Mrs. Radhika Varma Jetty and Mr. Madhusudhan Varma Jetty, Mr. Jetty Shashank Varma and Mr. Hitesh Varma Jetty directors being relatives, none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP are concerned or interested either financially or otherwise in the Resolution at Item No. 5 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.

ITEM NO.6

1. Based on recommendations of the Nomination & Remuneration Committee and the Board of Directors the Company was appointed Mr. Jetty Shashank Varma as the Whole-time Director and CEO of the Company for a period of 3 (three) years effective from 25th July, 2025 with remuneration of:

- Salary
Rs.96,00,000/- per annum.
- Perquisites/Allowances:
 - Medical expenses including premium paid for Medclaim policy incurred for self and family shall be reimbursed.
 - Provision of Car with driver, mobile phone and Telephone at the residence

2. Further based, on recommendations of the Nomination & Remuneration Committee and the Board of Directors the Company has revised the remuneration of Mr. Jetty Shashank Varma w.e.f. 08.09.2025 for his remaining tenure as follows:

- Salary
₹60,00,000/- per annum.
- Perquisites/Allowances:
 - Medical expenses including premium paid for Medclaim policy incurred for self and family shall be reimbursed.
 - Provision of Car with driver, mobile phone and Telephone at the residence

3. Further, the Company has recently Listed on the BSE SME platform w.e.f. 28.01.2026.

4. Where in any financial year, during the tenure of the managerial person, if a Company has no profits or its profits are inadequate, it may without Central Govt. approval, pay remuneration to the managerial person not exceeding higher of the limits mentioned under (A) and (B) of Section 2 of Part II of Schedule V of the Companies Act, 2013.

5. The Company's business has increased significantly in last 2 years, Company got listed in BSE SME platform on 28.01.2026.

6. Nomination and Remuneration Committee and Board of Directors at its meeting held on August 22, 2026 have approved revise the remuneration to Mr. Jetty Shashank Varma, Whole-time Director and CEO of the Company to ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum and 3% of Net Profit from the FY 2026-27.

The principal terms of revision in remuneration are as follows:

A. Fixed Remuneration; An amount of ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum prorated & payable monthly and bifurcation of the same shall be as follows:

1. **Salary:** ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum.
2. **Perquisites/Allowances:**
 - a. Provision of a company-owned car for official use, with all expenses relating to its maintenance, fuel, insurance and driver, if any, to be borne by the Company.
 - b. Medical expenses reimbursement including premium paid for Medclaim policy incurred not exceeding ₹10,00,000 (Rupees Ten Lakhs Only) Per Annum.
 - c. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or together are not taxable under the Income tax Act.
 - d. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

B. Variable Remuneration:

3% of Net Profit effective from FY 2026-27.

Mr. Jetty Shashank Varma will continue to be the Whole-time Director, subject to retirement by rotation pursuant to the provisions of Section 152 of the

Companies Act, 2013.

Further, approval of the members in General Meeting by way of a Special resolution is required to be obtained for revise the remuneration, by way of salary and perquisites and allowances as specified above in the event of absence or inadequacy of profit in any financial year during the tenure of Mr. Jetty Shashank Varma as the Whole-time Director and CEO of the Company.

A statement referred to in Section II, Part II of Schedule V, of the Companies Act, 2013 is stated below:

I. General Information:

- i) Nature of Industry:
 - a. Other information technology and computer service activities N.E.C.
 - b. Other professional, scientific and technical activities N.E.C.
 - c. Manufacture of radar equipment, GPS devices, search, detection, navigation, aeronautical and nautical equipment
- ii) Date or expected date of commencement of commercial production: It is an established company and the company incorporated on 09.12.2011 as Private Limited and latter converted into Public Company dt. 01.07.2025 and further Company was listed on BSE SME platform w.e.f. 28.01.2026.
- iii) In case of New Companies expected date of commencement as per project approved by financial Institutions appearing in the prospectus: Not applicable.
- iv) Financial Performance based on given indicators. The turnover and profitability of FY 2024-25 & 2025-26 are furnished below:

(Rs. In Lakhs)

Particulars	2024-25	2025-26
Revenue from operations	7,205.98	7,743.14
Other Income	13.35	83.77
Total Income	7,219.33	7,826.91
Profit before finance cost, depreciation and amortization and tax expense	1,366.95	1,696.95
Finance Cost	143.41	140.03
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Profit before Tax Expense	1,052.95	1,375.72
Tax Expense	273.61	332.76
Profit/(Loss) After Tax	779.34	1,042.97

Regarding default in the repayment of its dues (including Public Deposits) or interest payments thereon are: Nil

The Company has not issued any debentures.

- v) Foreign Investments or collaboration, if any: Nil

II. INFORMATION ABOUT THE WHOLE-TIME DIRECTOR AND CEO PROPOSED FOR REVISED REMUNERATION:

1. Background details:

Mr. Jetty Shashank Varma has work experience of more than 10 years in field of Automated Test Equipment, Data Acquisition Systems, RF applications, system integration, LabVIEW programming, and PXI/PXIe platforms, combined with strategic business development and stakeholder relationship management. He has been associated with the company in various roles since August, 2013. He was appointed as a director w.e.f. January 28, 2020 and further appointed as a Whole-time director & CEO w.e.f. July 25, 2025.

2. Past Remuneration (Limit approved in the last members meeting):

- a) Salary
₹60,00,000/- per annum.
- b) Perquisites/Allowances:
 - (i) Medical expenses including premium paid for Mediclaim policy incurred for self and family shall be reimbursed.
 - (ii) Provision of Car with driver, mobile phone and Telephone at the residence

3. Recognition of Awards

The Company has received Various awards and recognition during his tenure such as:

- a. letter of appreciation for Contribution Towards Data Acquisition for Static Test from Centre for Advanced Systems, DRDO, Ministry of Defence - 2025

- b. letter of appreciation for exceptional effort put into the Missile Rear Section Tester, Spares, Training and Documentation from Project MRSAM(IAF), Research Centre Imrat (RCI), DRDO, Ministry of Defence, Vignyanakancha, Hyderabad – 2024
- c. letter of appreciation for contribution towards Chandrayaan-3 and Aditya-L1 Mission from Indian Space Research Organisation ("ISRO") – 2023

4. Job profile and suitability

With more than 10 years of experience, he has been instrumental in transforming the company into leading player in high-technology domains. His leadership has driven the successful delivery of cutting -edge solutions across diverse sectors, significantly enhancing the company's market position and technological capabilities.

5. Remuneration proposed

Remuneration as set out in the resolution under Item No. 6 of the Notice.

6. Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person

Considering the Company's size, operations, growth, and industry benchmarks, Mr. Jetty Shashank Varma remuneration is tune with industry standards for similar senior-level positions.

7. pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Related persons of the Managerial personnel as mentioned below:

Sl. No.	Name	Designation	Nature of Relationship
1.	Madhusudhan Varma Jetty	Chairman & Managing Director	Father
2.	Radhika Varma Jetty	Whole time Director	Mother
3.	Hitesh Varma Jetty	Whole time Director	Brother

III. Other information:

1. Reasons for inadequate profits:

The Company has inadequate profits during the relevant financial year, primarily due to challenging business conditions and competition. The management remains confident that the expansion initiatives, operational efficiencies, and strategic measures undertaken by the Company will strengthen its business and contribute to improved financial performance and profitability in the ensuing years.

2. Steps taken or proposed to be taken for improvement:

The management is taking various initiatives including exploring new markets, improving operational efficiencies, expanding the business and restructuring certain business segments to improve profitability in the coming years.

The Company is taking steps to improve operational efficiency, productivity, and profitability. The Company will achieve significant growth and improved financial performance in the coming years, which will enable it to adequately meet the proposed aggregate remuneration payable to the managerial personnel.

3. Expected increase in productivity and profits in measurable terms

With the measures undertaken, the company expects to achieve revenue growth and improve profitability in the next 2 financial years. This is based on internal projections and current market trends.

Except Mr. Jetty Shashank Varma and Mr. Madhusudhan Varma Jetty, Mrs. Radhika Varma Jetty and Mr. Hitesh Varma Jetty directors being relatives none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP are concerned or interested either financially or otherwise in the Resolution at Item No. 6 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

ITEM NO.7

- Based on recommendations of the Nomination & Remuneration Committee and the Board of Directors the Company was appointed Mr. Hitesh Varma Jetty as the Whole-time Director of the Company for a period of 3 (three) years effective from 25th July, 2025 with remuneration of:

- Salary
₹60,00,000/- per annum.
- Perquisites/Allowances:
 - Medical expenses including premium paid for Medclaim policy incurred for self and family shall be reimbursed.
 - Provision of Car with driver, mobile phone and Telephone at the residence

- Further, the Company has recently Listed on the BSE SME platform w.e.f. 28.01.2026.
- Where in any financial year, during the tenure of the managerial person, if a Company has no profits or its profits are inadequate, it may without Central Govt.

approval, pay remuneration to the managerial person not exceeding higher of the limits mentioned under (A) and (B) of Section 2 of Part II of Schedule V of the Companies Act, 2013.

- The Company's business has increased significantly in last 2 years, Company got listed in BSE SME platform on 28.01.2026.
- Nomination and Remuneration Committee and Board of Directors at its meeting held on August 22, 2026 have approved to revise the remuneration to Mr. Hitesh Varma Jetty, Whole-time Director of the Company to ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum and 3% of Net Profit from the FY 2026-27.

The principal terms of revision in remuneration are as follows:

- Fixed Remuneration;** An amount of ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum prorated & payable monthly and bifurcation of the same shall be as follows:

- Salary:** ₹60,00,000 (Rupees Sixty Lakhs only) Per Annum.
- Perquisites/Allowances:**
 - Provision of a company-owned car for official use, with all expenses relating to its maintenance, fuel, insurance and driver, if any, to be borne by the Company.
 - Medical expenses reimbursement including premium paid for Medclaim policy incurred not exceeding ₹10,00,000 (Rupees Ten Lakhs Only) Per Annum.
 - Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or together are not taxable under the Income tax Act.
 - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

B. Variable Remuneration:

3% of Net Profit effective from FY 2026-27.

Mr. Hitesh Varma Jetty will continue to be the Whole-time Director, subject to retirement by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013.

Further, approval of the members in General Meeting by way of a Special resolution is required to be obtained for revise the remuneration, by way of salary and perquisites and allowances as specified above in the event of absence or inadequacy of profit in any financial year during the tenure of Mr. Hitesh Varma Jetty as the Whole-time Director of the Company.

A statement referred to in Section II, Part II of Schedule V, of the Companies Act, 2013 is stated below:

I. General Information:

- i) Nature of Industry:
 - a. Other information technology and computer service activities N.E.C.
 - b. Other professional, scientific and technical activities N.E.C.
 - c. Manufacture of radar equipment, GPS devices, search, detection, navigation, aeronautical and nautical equipment
- ii) Date or expected date of commencement of commercial production: It is an established company and the company incorporated on 09.12.2011 as Private Limited and latter converted into Public Company dt. 01.07.2025 and further Company was listed on BSE SME platform w.e.f. 28.01.2026.
- iii) In case of New Companies expected date of commencement as per project approved by financial Institutions appearing in the prospectus: Not applicable.
- iv) Financial Performance based on given indicators.

The turnover and profitability of FY 2024-25 & 2025-26 are furnished below:

	(Rs. In Lakhs)	
Particulars	2024-25	2025-26
Revenue from operations	7,205.98	7,743.14
Other Income	13.35	83.77
Total Income	7,219.33	7,826.91
Profit before finance cost, depreciation and amortization and tax expense	1,366.95	1,696.95
Finance Cost	143.41	140.03
Profit before depreciation and amortization and tax expense	1,223.54	1,556.92
Depreciation and amortization expense	170.59	181.20
Profit before Tax Expense	1,052.95	1,375.72
Tax Expense	273.61	332.76
Profit/(Loss) After Tax	779.34	1,042.97

Regarding default in the repayment of its dues (including Public Deposits) or interest payments thereon are: Nil

The Company has not issued any debentures.

- v) Foreign Investments or collaboration, if any: Nil

II. INFORMATION ABOUT THE WHOLE-TIME DIRECTOR AND CEO PROPOSED FOR REVISED REMUNARATION:

1. Background details:

Hitesh Varma Jetty has a work experience of more than 6 years in field of Automated Test Equipment (ATE), Data Acquisition Systems, and RF-based applications, with expertise in LabVIEW programming and PXI/PXIe platforms to design and deliver scalable, mission-critical test solutions. He has been associated with the company in various roles since September, 2020. He was appointed as a director w.e.f. January 20, 2025 and further appointed as a Whole-time director w.e.f. July 25, 2025.

2. Past Remuneration (Limit approved in the last members meeting):

- a) Salary
₹60,00,000/- per annum.
- b) Perquisites/Allowances:
 - (i) Medical expenses including premium paid for Mediclaim policy incurred for self and family shall be reimbursed.
 - (ii) Provision of Car with driver, mobile phone and Telephone at the residence

3. Recognition of Awards

The Company has received Various awards and recognition during his tenure such as:

- a. letter of appreciation for Contribution Towards Data Acquisition for Static Test from Centre for Advanced Systems, DRDO, Ministry of Defence - 2025

4. Job profile and suitability

He has work experience of more than 4 years in field of Automated Test Equipment (ATE), Data Acquisition Systems, and RF-based applications, with expertise in LabVIEW programming and PXI/PXIe platforms to design and deliver scalable, mission-critical test solutions. He has been associated with the Company since January 20, 2025.

5. Remuneration proposed

Remuneration as set out in the resolution under Item No. 7 of the Notice.

6. Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person

Considering the Company's size, operations, growth, and industry benchmarks, Mr. Hitesh Varma Jetty remuneration is tune with industry standards for similar senior-level positions.

7. pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Related persons of the Managerial personnel as mentioned below:

Sl. No.	Name	Designation	Nature of Relationship
1.	Madhusudhan Varma Jetty	Chairman & Managing Director	Father
2.	Radhika Varma Jetty	Whole time Director	Mother
3.	Jetty Shashank Varma	Whole time Director & CEO	Brother

III. Other information:

1. Reasons for inadequate profits:

The Company has inadequate profits during the relevant financial year, primarily due to challenging business conditions and competition. The management remains confident that the expansion initiatives, operational efficiencies, and strategic measures undertaken by the Company will strengthen its business and contribute to improved financial performance and profitability in the ensuing years.

2. Steps taken or proposed to be taken for improvement:

The management is taking various initiatives including exploring new markets, improving operational efficiencies, expanding the business and restructuring certain business segments to improve profitability in the coming years.

The Company is taking steps to improve operational efficiency, productivity, and profitability. The Company will achieve significant growth and improved financial performance in the coming years, which will enable it to adequately meet the proposed aggregate remuneration payable to the managerial personnel.

3. Expected increase in productivity and profits in measurable terms

With the measures undertaken, the company expects to achieve revenue growth and improve profitability in the next 2 financial years. This is based on internal projections and current market trends.

Except Mr. Hitesh Varma Jetty and Mr. Madhusudhan Varma Jetty, Mrs. Radhika Varma Jetty and Mr. Jetty Shashank Varma directors being relatives none of the other Directors and/or Key Managerial Personnel (KMP) or relatives of other directors and KMP are concerned or interested either financially or otherwise in the Resolution at Item No. 7 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings.]

Name & DIN of the Director	Mr. Jetty Shashank Varma, DIN: 03370303
Age	35 Years
Experience (including expertise in specific functional area) / Brief Resume	Mr. Shashank Varma Jetty, a Promoter, Whole-time Director, and Chief Executive Officer of our Company, brings over 10 years of work experience in Automated Test Equipment, Data Acquisition Systems, RF applications, system integration, LabVIEW programming, and PXI/PXIe platforms. He holds a Bachelor's degree in Electronics and Communication Engineering from VIT University and a General Management Program for Aerospace & Aviation Executives, a collaboration between the Indian Institute of Management, Bangalore, and Toulouse Business School, France. He has been associated with the Company since August 2013.
Terms and Conditions of Re-appointment	Initially, Mr. Jetty Shashank Varma was appointed as a Director on January 28, 2020 of the Companies Act, 2013, further he was appointed as a Whole-time Director of the Company w.e.f. 25.07.2025, subject to retirement by rotation and he retires by rotation at this meeting in terms of Section 152 (6) of the Companies Act, 2013. and being eligible, offers himself for reappointment.
Remuneration last drawn (including sitting fees, if any) (FY 2025-26)	₹61,67,425
Date of first appointment on the Board	28/01/2020
Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2026	Mr. Jetty Shashank Varma directly holds 50,000 (0.17 %) equity shares of ₹2/- each of the Company. Apart from the above, Mr. Madhusudhan Varma Jetty, Mrs. Radhika Varma Jetty, Mr. Hitesh Varma Jetty together and collectively, through entities controlled by them, hold 64.08% equity shares of the Company.
Relationship with other Directors / Key Managerial Personnel	● Son of Mr. Madhusudhan Varma Jetty, Chairman & Managing Director. ● Son of Mrs. Radhika Varma Jetty, Whole-time Director. ● Brother of Mr. Hitesh Varma Jetty, Whole-time Director.
Number of meetings of the Board attended	FY 2025-26: attended 13 meetings out of 18 Board meetings held in FY 2025-26.
Directorships held in other companies	1. Abhedhya Systems Private Limited (Director)
Memberships/ Chairmanships of committees across all companies	Member - Stakeholders Relationship Committee Digilogic Systems Limited
Listed entities from which the Director has resigned in the past three year	Nil

By order of the Board
DIGILOGIC SYSTEMS LIMITED
 (Formerly known as Digilogic Systems Private Limited)

Sd/-
Kameswara Rao Vempati
 Company Secretary & Compliance Officer
 Membership No. A60095

Place: Hyderabad
 Date: 22.08.2026

DIRECTORS' REPORT

To
The Members,
Digilogic Systems Limited

Your directors hereby present the 15th Annual Report of your Company together with the Audited Financial Statements and the Auditors' Report of your Company for the financial year ended, 31st March, 2026. The summarized financial results for the financial year ended on 31st March, 2026 are as under:

1. Financial Summary:

The performance during the Financial Year ended March 31, 2026 has been as under:

	(Rs. In Lakhs)	
Particulars	March 31, 2026	March 31, 2025
Revenue from operations	7,743.14	7,205.98
Other Income	83.77	13.35
Total Income	7,826.91	7,219.33
Profit before finance cost, depreciation and amortization and tax expense	1,696.95	1,366.95
Finance Cost	140.03	143.41
Profit before depreciation and amortization and tax expense	1,556.92	1,223.54
Depreciation and amortization expense	181.20	170.59
Profit before Tax Expense	1,375.72	1,052.95
Tax Expense	332.76	273.61
Profit/(Loss) After Tax	1,042.97	779.34

2. State of Company's affairs:

During the year under review, your Company has received revenue from operations of ₹7,743.14 Lakhs as against ₹7,205.98 Lakhs for the previous financial year. The Net Profit for the year ended 31st March, 2026 was ₹ 1,042.97 Lakhs as against ₹ 779.34 Lakhs for the year ended 31st March 2025.

3. Change in the nature of business, if any:

During the year under review there is no change in the nature of Business.

4. Credit rating:

During the year under review, the Company has not obtained any credit rating from any credit rating agency, as it is not applicable to the Company.

5. Dividend:

The Board of Directors of the Company have not recommended any dividend for the financial year ended March 31, 2026.

6. Transfer to general reserves:

During the financial year ended 31 March 2026, the Company has not transferred any amount to the General Reserve.

7. Share Capital:

A. During the year under review, the following changes took place in the Authorized Share Capital and Paid-up Share Capital of the Company:

- The Company has increased its Authorised share capital from ₹ 6,00,00,000 (Rupees Six Crores) divided into 60,00,000 (Sixty Lakhs) Equity shares to ₹ 10,00,00,000 (Rupees Ten Crores divided into 1,00,00,000 (One Crore) Equity shares - w.e.f. 18.06.2025
- The Company carried out a sub-division of its authorized share capital, splitting 1,00,00,000 equity shares of face value ₹10 each into 5,00,00,000 equity shares of face value ₹2 each ("Sub-Division") w.e.f. 25.07.2025.
- Further, on 19th January 2026, the IPO Committee has considered and allotted 22,18,800 Equity Shares at ₹104.00 per Equity Share (including a share premium of ₹ 102.00 per Equity Share) ("Anchor Investor Allocation Price"), to Anchor Investors pursuant to Initial Public Offer ("IPO") of the company.
- Further, on 23rd January 2026, the Board approved the following:
 - allotment of 66,98,400 equity shares offered by way of Fresh Issue and

- (b) transfer of 10,89,600 Equity Shares offered by way of Offer for Sale; aggregating 77,88,000 (including 22,18,800 Equity shares to Anchor allotment) Equity Shares having face value of value ₹2 (Indian Rupees Two only) at an Offer Price of ₹104.00 per Equity Share (including a share premium of ₹ 102.00 per Equity Share) to the respective applicants in various categories, in accordance with the basis of allotment approved by BSE Limited, in consultation with the Indorient Financial Services Limited ("BRLM"), Kfin Technologies Limited.
- v. Further, the Company's equity shares were listed on the BSE SME platform with effect from 28.01.2026.
- vi. The existing authorized and paid-up share capital of the Company as on 31.03.2026 as follows:
- Authorized Share Capital ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹ 2/- each.
 - The paid-up equity shares capital of the Company as on 31st March, 2026:

(Rs. in Lakhs)

Paid up Equity Share Capital	579.02
(2,89,51,030 Equity share of face value of ₹ 2 /-)	

B. Rights Issue:

During the financial year, the Company has not allotted and issued any shares through Rights Issue.

C. Preferential allotment of Shares on Private Placement Basis:

During the financial year, the Company has not made any Preferential allotment of Shares on Private Placement Basis.

D. Buy Back of Securities:

The Company has not bought back any of its Securities during the year under review.

E. Sweat Equity Shares:

The Company has not issued any Sweat Equity Shares during the year under review.

F. Bonus Shares:

During the financial year, the company has not issued any Bonus shares.

G. Employees Stock Option Scheme & Employee Stock Purchase Scheme:

The Company has not provided any scheme of Employees Stock Option Scheme & Employee Stock Purchase Scheme

H. Shares with differential voting rights:

The company has not issued any shares with differential voting rights.

I. Compulsorily convertible Debentures (CCDs):

During the financial year, the Company has not allotted and issued any Compulsorily convertible Debentures (CCDs).

8. Utilization of Initial Public Offer (IPO) Funds:

Utilization of Initial Public Offer (IPO) Funds/ Progress in the object(s) as on 31st March 2026 is as tabled below:

Sr. No.	Item Head		Source of information/ certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in ₹ Crore (A)	Amount utilized in ₹ Crore (B)	Total Unutilised amount in ₹ Crore as on 31st March 2026 (C) A-B	Comments of the Monitoring Agency	
As at beginning of the quarter in ₹ Crore			During the quarter in ₹ Crore			At the end of the quarter in ₹ Crore		
1.	Capital expenditure towards setting up of Proposed New Facility	Bank Statements, Company Letter, CA Certificate	51.68	0.00	0.35	0.35	51.33	Nil
2	Pre-payment/ re-payment, in part or full of certain outstanding borrowings availed by our Company	Bank Statements, Company Letter, CA Certificate	8.00	0.00	8.00	8.00	0.00	Nil
3.	General Corporate Purposes	Bank Statements, Company Letter, CA Certificate	4.17	0.00	3.09	3.09	1.08	Nil
4.	Issue Expenses	Bank Statements, Company Letter, CA Certificate	5.81	0.00	6.05	6.05	-0.24	Nil
5	Any other purpose approved by board	Bank Statements, Company Letter, CA Certificate	Nil	Nil	Nil	Nil	Nil	No

9. Performance and financial position of each of the Subsidiaries, Associates and Joint Ventures:

The Company does not have any Subsidiaries, Associates and Joint Ventures as on 31.03.2026. Hence, Performance and financial position of each of the Subsidiaries, Associates and Joint Ventures (AOC -1) is not applicable.

Further, post closure of the financial year, the Company has incorporated a Subsidiary Company namely, **ABHEDHYA SYSTEMS PRIVATE LIMITED** on 23.05.2026 in terms of products / line of business for Providing high-performance Radio Frequency (RF) and Microwave engineering solutions and designers, developers, manufacturers, etc., with Authorized Share Capital of ₹ 15,00,000 and Paid-up Capital of ₹ 5,00,000 & The Company initially invests ₹ 4,00,000 (Rupees Four Lakhs Only) by subscribing to 40,000 Equity Shares of ₹ 10/- each in the Subsidiary.

10. Consolidated Financial Statements:

The Company does not have any Subsidiary Companies as on 31.03.2026, hence, there is no need to prepare Consolidated Financial Statements for the Financial Year ended March 31, 2026.

11. Extract of Annual Return:

The copy of the Annual Return as on 31st March, 2026 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is to be provided on the website of the company. i.e. <https://www.digilogicsystems.com>

12. The Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is enclosed as **Annexure – I** to this Report.

13. Director's Responsibility Statement:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors hereby confirms and declares that:

- a. In the preparation of the Annual Accounts for the year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. The Directors had selected Appropriate accounting policies have been applied to them. 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 and loss 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 the Companies Act, 2013 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.
- 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.

14. Board of Directors:

During the year under review, the following changes in the composition of the Board of Directors and Key Managerial Personnel of the Company:

- Mr. Madhusudhan Varma Jetty (DIN: 02247769), Chairman & Managing Director of the Company has been re-appointed as a Chairman & Managing Director of the Company for a period of 3 (Three) years w.e.f. 25th July, 2025 by passing a special resolution in the Extra General Meeting of the Company held on 25th July, 2025.
- Mrs. Radhika Varma Jetty (DIN: 03370284), Director of the Company has been appointed as a Whole Time Director of the Company for a period of 3 (Three) years w.e.f. 25th July, 2025 by passing a special resolution in the Extra General Meeting of the Company held on 25th July, 2025.
- Mr. Jetty Shashank Varma (DIN: 03370303), Director of the Company has been appointed as a Whole Time Director & CEO of the Company for a period of 3 (Three) years w.e.f. 25th July, 2025 by passing a special resolution in the Extra General Meeting of the Company held on 25th July, 2025.
- Mr. Hitesh Varma Jetty (DIN: 10648537), Director of the Company has been appointed as a Whole Time Director of the Company for a period of 3 (Three) years w.e.f. 25th July, 2025 by passing a special resolution in the Extra General Meeting of the Company held on 25th July, 2025.
- Mr. Balasubramanyam Danturti (DIN: 10753430), has been appointed as an Independent Director of the Company for a period of 5 (Five) years w.e.f. 25th July, 2025 by passing a special resolution in the Extra General Meeting of the Company held on 25th July, 2025.
- Mr. Madadi Ugender Reddy (DIN: 11148916), has been appointed as an Independent Director of the Company for a period of 5 (Five) years w.e.f. 25th July, 2025 by passing a special resolution in the Extra General Meeting of the Company held on 25th July, 2025.
- Mr. Sesha Rama Srinivasa Sastry Pullela (DIN: 11148922), has been appointed as an Independent Director of the Company for a period of 5 (Five) years w.e.f. 25th July, 2025 by passing a special resolution in the Extra General Meeting of the Company held on 25th July, 2025.

The Company has received declarations of independence from all the Independent Directors confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are independent from Management. The Board is of the opinion that all the Independent Directors of the Company are person's of integrity and possess relevant expertise and experience (including the proficiency) to act as Independent Directors of the Company. The Independent Directors of the Company have confirmed that they have registered with the Indian Institute of Corporate Affairs and have included their name in the databank of Independent Directors within the statutory timeline as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

15. Key Managerial Personnel (KMPs):

The following are the Key Managerial Personnel of the Company as on 31st March, 2026:

- Madhusudhan Varma Jetty - Chairman & Managing Director
- Radhika Varma Jetty - Whole-time Director
- Jetty Shashank Varma - Whole-time Director and CEO
- Hitesh Varma Jetty - Whole-time Director
- Sriharsha Vadakattu - Chief Financial Officer
- Kameswara Rao Vempati - Company Secretary & Compliance Officer

16. Committee of Directors:

As on March 31, 2026, the Board has following Statutory committees:

i. Audit Committee

a. Composition and Meetings:

During the FY 2025-26 the Audit Committee met 5 (Five) times on 03.08.2025, 21.08.2025, 18.12.2025, 31.12.2025 and 06.03.2026. The Company Secretary acts as the Secretary to the Audit Committee.

Sr. No.	Name of the Directors	Designation	Category	No. of meetings attended
1.	Mr. Balasubramanyam Danturti	Chairman	Non-Executive Independent Director	4/5
2.	Mr. Sesha Rama Srinivasa Sastry Pullela	Member	Non-Executive Independent Director	5/5
3.	Mr. Madadi Ugender Reddy	Member	Non-Executive Independent Director	5/5

*Audit Committee constituted with effective from 28.07.2025

b. Terms of Reference:

The Audit Committee's terms of reference include overseeing the Company's financial reporting process and ensuring the integrity and transparency of financial disclosures. The Committee reviews the half-yearly and annual financial statements with the management before they are submitted to the Board for approval. It also evaluates the performance of the Statutory Auditors and Internal Auditors, reviews the adequacy and effectiveness of the internal control systems, and discharges all other responsibilities prescribed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, as well as Section 177 of the Companies Act, 2013, read with the applicable rules framed thereunder.

ii. Nomination and Remuneration Committee

a. Composition and Meetings:

During the FY 2025-26 the Nomination and Remuneration Committee met 3 (Three) times on 03.08.2025, 21.08.2025 and 06.03.2026. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Sr. No.	Name of the Directors	Designation	Category	No. of meetings attended
1.	Mr. Sesha Rama Srinivasa Sastry Pullela	Chairman	Non-Executive Independent Director	3/3
2.	Mr. Balasubramanyam Danturti	Member	Non-Executive Independent Director	3/3
3.	Mr. Madadi Ugender Reddy	Member	Non-Executive Independent Director	3/3

* Nomination and Remuneration Committee constituted with effective from 28.07.2025

b. Terms of Reference:

The Committee is determining and recommending the criteria for the appointment of Executive, Non-Executive, and Independent Directors to the Board. It identifies suitable candidates who meet the required qualifications and recommends their appointment or removal to the Board.

The Committee reviews and determines all components of the remuneration package for Executive Directors, including salary, benefits, bonuses, stock options, pension, and other applicable incentives.

Further, the Committee establishes evaluation criteria and conducts performance assessments of individual Directors as well as the overall performance of the Board. It is also responsible for developing and implementing an appropriate retention policy for the Board and Senior Management team.

iii. CSR Committee

a. Composition and Meetings:

During the FY 2025-26 the CSR Committee met once on 20.03.2026. The Company Secretary acts as the Secretary to the CSR Committee.

Sr. No.	Name of the Directors	Designation	Category	No. of meetings attended
1.	Mr. Madadi Ugender Reddy	Chairman	Non-Executive Independent Director	1/1
2.	Mr. Madhusudhan Varma Jetty	Member	Managing Director	1/1
3.	Mr. Radhika Varma Jetty	Member	Whole-time Director	1/1

* CSR Committee constituted with effective from 28.07.2025

b. Terms of Reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy related to the CSR activities to be undertaken by the Company as provided in the Schedule VII and any other related provisions, if any, of the Act and the Rules made there under.
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- To recommend the amount of expenditure to be incurred on the CSR activities as per the requirement of the Act and the rules made there under.
- To carry out such other functions as may from time to time, be authorized by the Board and/or required by any Statutory Authority, by the way of amendment and/or otherwise, as the case may be, to be attended by this Committee.

iv. Stakeholders Relationship Committee

a. Composition:

During the FY 2025-26 the Stakeholders Relationship Committee met one time on 20.03.2026. The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

Sr. No.	Name of the Directors	Designation	Category	No. of meetings attended
1.	Mr. Balasubramanyam Danturti	Chairman	Non-Executive Independent Director	1/1
2.	Mr. Jetty Shashank Varma	Member	Whole-time Director & Chief Executive Officer	1/1
3.	Mr. Hitesh Varma Jetty	Member	Whole-time Director	0/1

* Stakeholders Relationship Committee constituted with effective from 28.07.2025

b. Terms of Reference:

The Committee is responsible for maintaining good investor relations and ensuring timely resolution of shareholders' and investors' grievances. It addresses complaints related to share transfers, non-receipt of annual reports, dividends, and other related matters.

17. Senior Management Personnel (SMP) and KMPs:

Senior Management Personnel (SMP) and KMPs as of March 31, 2026:

Sr. No	Name	Designation	Category
1.	Madhusudhan Varma Jetty	Chairman and Managing Director	KMP
2.	Jetty Shashank Varma	Whole-time Director and CEO	KMP
3.	Hitesh Varma Jetty	Whole-time Director	KMP
4.	Radhika Varma Jetty	Whole-time Director	KMP
5.	Vadakattu Sri Harsha	Chief Financial Officer (CFO)	KMP
6.	Kameswara Rao Vempati	Company Secretary & Compliance officer	KMP
7.	M. Srinivasulu Naidu	GM - Projects	SMP

18. Directors and Officers ("D&O") Insurance:

The Company has a Directors and Officers (D&O) insurance on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying them against any personal liability coming onto them whilst discharging fiduciary responsibilities in relation to the Company.

19. Annual Evaluation of Performance of Board, Its Committees and Individual Directors:

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually, in accordance with the provisions of the Companies

Act, 2013 and SEBI (LODR) Regulations, 2015 with specific focus on the performance and effective functioning of the Board and Individual Directors.

Separate meetings of the Independent Directors was held on March 06, 2026 to review and evaluate the performance of the Non-Independent Directors, the Board as a whole, and the Chairman of the Company. The Independent Directors also assessed the quality, adequacy, and timeliness of the information flow between the Company's management and the Board to ensure that the Board was able to discharge its responsibilities effectively and efficiently.

The manner in which the evaluation has been carried out has been explained in the Corporate

Governance Report, annexed herewith. The Board of Directors has expressed its satisfaction with the entire evaluation process.

20. Corporate Governance Disclosure Requirements:

Your company provides utmost importance at best Governance Practices and are designated to act in the best interest of its stakeholders. Better governance practice enables the Company to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and provide an opportunity to increase stakeholders understanding of the key activities and policies of the Organization.

Further Pursuant to Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, read with Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, regulations of corporate governance are not applicable to company.

The key aspects of the Company's corporate governance practices have been disclosed in this Annual Report for the information and benefit of the shareholders.

Accordingly, this Annual Report does not contain a separate Corporate Governance Report. However, the relevant and material corporate governance disclosures have been incorporated, wherever applicable, as part of this Directors' Report.

21. Management discussion and analysis report:

Pursuant to Regulation 34 (2) (e) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Management Discussion & Analysis Report for the year under review forms the part of this report and is marked as **Annexure – 'II'** to this report.

22. Material changes and commitment occurred after the end of the Financial Year and up to the date of the Report:

- I. During the FY 2025-26, the Company has filed Voluntary Adjudication Applications with the Registrar of Companies (ROC), Hyderabad under Section 42 and 454 of the Companies Act, 2013 in respect of certain Procedural lapses / delay in filing of statutory forms.

After the closure of the financial year 2025-26, in the month of April, 2026, the Company has received 8 (eight) Adjudication orders from Registrar of Companies (ROC), Hyderabad with respect to the above adjudication applications, out of which, the Company has paid the penalties for 5 Adjudication orders amount aggregating to Rs.62,500.

Further, the Company has made 3 (three) separate appeals before Regional Director, Southeast Region, Ministry of Corporate affairs, Hyderabad against the above adjudication orders of ROC, Hyderabad. The Regional Director, Southeast Region, Hyderabad allowed the Company appeals by its Appeal Orders dated 04.05.2026 and set aside the said 3 adjudication orders of ROC, Hyderabad.

As on the date of this report there are no pending penalties, notices, adjudication applications and appeals.

- II. Post closure of the financial year, the Company has incorporated a Subsidiary Company namely, **ABHEDHYA SYSTEMS PRIVATE LIMITED** on 23.05.2026 in terms of products / line of business for Providing high-performance Radio Frequency (RF) and Microwave engineering solutions and designers, developers, manufacturers, etc., with Authorized Share Capital of ₹ 15,00,000 and Paid-up Capital of ₹ 5,00,000 & The Company initially invests ₹ 4,00,000 (Rupees Four Lakhs

Only) by subscribing to 40,000 Equity Shares of ₹ 10/- each in the Subsidiary.

23. Internal Financial Control System:

There is an adequate internal control system including Internal Finance Control system in the Company with reference to process and working operations.

The Company has an adequate system of Internal Financial Control commensurate with its size and scale of operations, procedures and policies, ensuring efficient and orderly conduct of its business, including adherence to the Company's policy, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

Based on the assessment carried out by the Management and the evaluation of the results of the assessment, the Board is of the opinion that the Company has adequate Internal Financial Control System that is operating effectively during the year under review.

There were no instances of fraud which necessitates reporting of material mis-statement to the Company's operations.

24. Insurance

All properties and insurable interests of the Company including building, plant and equipment and Vehicles have been fully insured.

25. Acceptance of Public Deposits

The During the year under review, the Company has not accepted any public deposits falling within the ambit of Section 73 of the Companies Act, 2013 and the rules made thereunder. The requisite return for FY 2025-26 with respect to amount(s) not considered as deposits has been filed. The Company does not have any unclaimed deposits as of date.

26. Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013:

Pursuant to provisions of section 186 of the Companies Act, 2013, during the year under review, no loans or guarantees were given by the Company and no investments in the securities of any other company are made.

27. Particulars of Contract and Arrangement under Section 188:

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The particulars of transaction with related parties referred to in sub-section (1) of Section 188 in Form No. AOC-2 is enclosed as **Annexure – III** to this Report.

The other related party transactions entered during the financial year under review are disclosed in notes to the Financial Statements of the Company for the Financial Year ended 31st March, 2026.

28. Transfer to Investor Education & Protection Fund:

The provisions of Section 125(2) of the Companies Act 2013 do not apply as there was no amount required to be transferred to the Investor Education & Protection Fund.

29. Meetings:

i. Board Meetings:

During the year under review, Eighteen Board Meetings (18) were convened and held and the gap between two meetings did not exceed 120 days. Details of the Board Meeting provided in below table:

Sl. No.	Type of meeting	Date of Meeting	Total Number of Directors as on the date of the meeting.	No. of Directors attended	% of Attendance
1.	Board Meeting	10.04.2025	4	4	100
2.	Board Meeting	22.05.2025	4	4	100
3.	Board Meeting	03.06.2025	4	4	100
4.	Board Meeting	19.06.2025	4	4	100
5.	Board Meeting	26.06.2025	4	4	100
6.	Board Meeting	16.07.2025	4	4	100
7.	Board Meeting	22.07.2025	4	3	75
8.	Board Meeting	28.07.2025	7	7	100
9.	Board Meeting	03.08.2025	7	7	100
10.	Board Meeting	21.08.2025	7	6	85.71
11.	Board Meeting	17.09.2025	7	6	85.71
12.	Board Meeting	08.11.2025	7	6	85.71
13.	Board Meeting	18.12.2025	7	6	85.71
14.	Board Meeting	31.12.2025	7	5	71.43
15.	Board Meeting	13.01.2026	7	7	100
16.	Board Meeting	23.01.2026	7	6	85.71
17.	Board Meeting	06.03.2026	7	5	71.43
18.	Board Meeting	20.03.2026	7	6	85.71

Sl. No.	Name of the Director	Number of meetings which director was entitled to attend	Number of Meetings Attended	% of Attendance
1.	Madhusudhan Varma Jetty	18	18	100
2.	Radhika Varma Jetty	18	16	88.89
3.	Jetty Shashank Varma	18	13	72.22
4.	Hitesh Varma Jetty	18	16	88.89
5.	Balasubramanyam Danturti	11	10	90.91
6.	SeshaRama Srinivasasastry Pullela	11	10	90.91
7.	Madadi Ugender Reddy	11	11	100

ii. General Meetings:

During the year under review, the Annual General Meeting was held on 18th August, 2025 and Extra-Ordinary General Meetings were held on 18th June 2025, 25th July 2025 and 08th September, 2025.

30. Statement of particulars of appointment and remuneration of managerial personnel:

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The following employee(s) for the financial year 2025-26 under review were in receipt of remuneration in aggregate more than ₹ 1,02,00,000/- as:

Name	Designation/ Nature of Duties	Age (Yrs.)	Remuneration (in Lakhs)	Qualification	Tot Exp (Yrs.)	Date of Commencement of Employment	Last Employment
Madhusudhan Varma Jetty	Chairman & Managing Director	66	127.95	Diploma in Business Administration from Annamalai University	38	09/12/2011	N.A.

Notes:

- Mr. Madhusudhan Varma Jetty is the Managing Director and shareholder of the Company (holding 1,24,25,400 Shares). He is also relative of other directors.
- The following Directors and Shareholders are the relatives of the Mr. Madhusudhan Varma Jetty as on 31.03.2026

Sl. No	Name of the Relative	Nature of Relation	Designation	Number of shares held
1	Radhika Varma Jetty	Wife	Whole-time Director	60,77,500
2	Jetty Shashank Varma	Son	CEO & Whole-time Director	50,000
3	Hitesh Varma Jetty	Son	Whole-time Director	50,000

31. Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards:

The Company has complied with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Further, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) relating to meetings of the Board of Directors (SS-1) and General Meetings (SS-2), as approved by the Central Government under Section 118 of the Companies Act, 2013, during the financial year under review.

32. Statutory Auditors:

At the 13th General meeting of the Company held on 30th September, 2024, M/s. B. Srinivasa Rao & Co, Chartered Accountants firm, Hyderabad (FRN. 008763S) having a valid peer review certificate, issued by Peer review board of ICAI, were appointed as Statutory Auditors of the from the conclusion of 13th Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2029, at a remuneration as may be decided by and between the Auditors and Board of Directors of the Company.

The Auditors' Report for the financial year ended on March 31, 2026, has been provided in "Financial Statements" forming part of this Annual Report.

The report of the Statutory Auditor does not contain any qualification, reservation, adverse remark. The observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

33. Explanation or Comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors in their reports:

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

34. Board's response on Auditor's Qualification, Reservation or adverse Remark or disclaimer made:

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report. During the year under review, there were no instances of fraud reported by Auditors under Section 143(12) of the Companies Act, 2013.

35. Internal Auditors:

M/s. P B S K and Associates Practicing Chartered Accountants Firm, Hyderabad (Firm Regn. No.:017838S) have been appointed Internal Auditors of the Company for the Financial Year 2025-26 and further re-appointed for the financial year 2026-27 by the Board of Directors of the Company basis based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the Internal Audit of the Company to the Audit Committee of the Company.

36. Secretarial Auditor:

Pursuant to Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. SARV & Co., Practicing Company Secretaries as Secretarial Auditor of the Company for the financial year ended on March 31, 2026. The Secretarial Audit Report in Form MR-3 for the financial year ended on March 31, 2026, is attached to the Director's Report and forming part of this Annual Report (**Annexure- IV**).

The report of the Secretarial auditor does not contain any qualification, reservation, adverse remark.

37. Corporate Social Responsibility (CSR):

The Company has constituted Corporate Social Responsibility ("CSR") Committee. The CSR Committee has formulated and recommended to the Board, a CSR Policy which provides the overview of projects or programs and the guiding principles for selection, implementation and monitoring of the CSR activities, which has been approved by the Board. The CSR Policy adopted by Board is available on the website of the Company and is accessible through the link:

<https://digilogicsystems.com/investors/corporate-governance/statutory-policies/>

As per the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits of the three immediately preceding financial years on eligible Corporate Social Responsibility (CSR) activities specified under Schedule VII to the Act and in line with the CSR Policy of the Company, the Company require to spent ₹ 11.13 Lakhs towards CSR activities during the financial year 2025-26.

The Company has contributed ₹ 11.50 lakhs against its obligation of ₹ 11.13 Lakhs towards CSR pursuant to the recommendation by Corporate Social Responsibility (CSR) Committee and approved by the Board of Directors.

The Annual Report on CSR activities of the Company has been attached as **Annexure – V** and forms part of this Report.

38. Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Maternity Benefit Act, 1961:

The Company is committed in providing a healthy environment to all employees that enables them to work without the fear of prejudice and gender bias. Your Company has in place a Prevention of Sexual Harassment (POSH) Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Company through this policy has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has complied with its provisions.

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

Particulars	FY 2025-26	FY 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

39. Compliance with the Maternity Benefit Act, 1961:

The Company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. The Company is committed to ensuring a safe, inclusive, and supportive workplace for women employees. As per policy, all eligible women employees are eligible with maternity benefits as prescribed under the Maternity Benefit Act, 1961, including paid maternity leave, nursing breaks, and protection from dismissal during maternity leave.

The Company also ensures that no discrimination is made in recruitment or service conditions on the grounds of maternity. Necessary internal systems and HR policies are in place to uphold the spirit and letter of the legislation.

40. Vigil Mechanism/Whistleblower Policy:

In line with the provisions of the Section 177(9) of the Companies Act, 2013, your Company has adopted Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company.

This vigil mechanism provides for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the chairman of the Audit committee, in exceptional cases. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy.

<https://digilogicsystems.com/investors/corporate-governance/statutory-policies/>

During the year under review, no incidence under the above mechanism was reported.

41. Code of Conduct:

The Company has adopted a Code of Conduct for all Board members and senior management personnel.

The Company has adopted a Code of Conduct for Prevention of Insider Trading pursuant to Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, to regulate, monitor, and report trading activities of Designated Persons and their immediate relatives.

The Code aims to prevent the misuse, unauthorized communication, or disclosure of Unpublished Price Sensitive Information ("UPSI") and ensures transparent and compliant trading practices.

The Company maintains a Structured Digital Database ("SDD") software to record and monitor the sharing of UPSI, including details of authorized persons, purpose, and timing of such disclosures, ensuring proper traceability and auditability.

The Company has implemented necessary controls to restrict access to UPSI and ensure compliance with applicable regulatory requirements. Designated Persons are informed of their obligations relating to trading restrictions, pre-clearance requirements, disclosures, and trading window restrictions. Through these measures, the Company remains committed to maintaining confidentiality of UPSI and preventing insider trading.

The detail policy on the Code of Conduct is available on the website of the Company at: <https://digilogicsystems.com/investors/corporate-governance/statutory-policies/>

42. Particulars of Employees and Related Disclosures:

The Directors place on records their sincere appreciation for the valuable contribution, commitment, and dedicated efforts made by the employees of the Company. The Directors acknowledge that the continued support and commitment of the employees will contribute significantly towards the achievement of the Company's objectives and future growth.

The disclosure relating to remuneration and other particulars of employees, as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as **Annexure 'VI'**.

Further, pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, a statement containing the names and other particulars of employees covered under the said provisions is annexed to this Report as an **Annexure 'VI'**.

43. The names of Companies which have become or ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies during the year:

During the year under review, no company became or ceased to be a subsidiary, joint venture, or associate company of the Company.

Further, Post closure of the Financial year, the Company incorporated a subsidiary company namely **'ABHEDHYA SYSTEMS PRIVATE LIMITED'** on 23.05.2026.

44. Related Parties Transactions:

The particulars of transactions or contracts entered, or arrangements made with related parties pursuant to provisions of section 188 of the Companies Act, 2013 is provided in Annexure III (in the format AOC-2) and is attached to this Report.

Details of related party transactions entered by the Company, in terms of Accounting Standard-18 have been disclosed in the notes to the financial statements forming part of this Report.

The Related Party Transactions policy is available on the website of the Company:

<https://digilogicsystems.com/investors/corporate-governance/statutory-policies/>

45. Significant and material order passed by the Regulators/ courts:

During the FY 2025-26, the Company has filed Voluntary Adjudication Applications with the Registrar

of Companies (ROC), Hyderabad under Section 42 and 454 of the Companies Act, 2013 in respect of certain Procedural lapses / delay in filing of statutory forms.

After the closure of the financial year 2025-26, in the month of April, 2026, the Company has received 8 (eight) Adjudication orders from Registrar of Companies, (ROC), Hyderabad with respect to the above adjudication applications, out of which, the Company has paid the penalties for 5 Adjudication orders amount aggregating to Rs.62,500

Further, the Company has made 3 (three) separate appeals before Regional Director, Southeast Region, Ministry of Corporate affairs, Hyderabad against the above adjudication orders of ROC, Hyderabad. The Regional Director, Southeast Region, Hyderabad allowed the Company appeals by its Appeal Orders dated 04.05.2026 and set aside the said 3 adjudication orders of ROC, Hyderabad.

As on the date of this report there are no pending penalties, notices, adjudication applications and appeals.

46. Details of application made or any proceedings pending under Insolvency and Bankruptcy Code, 2016 during the FY along with the current status:

During the year under review, no application was made, nor were any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

47. Details of difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof:

The Company has not made any application for One Time Settlement (OTS) with any banks or financial institution.

48. Cost Audit and Cost Record

Pursuant to Section 148 of the Companies Act 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the provisions of Cost Audit are not applicable to the Company for the FY 2025-26, however maintaining the Cost records are applicable to the Company and the company is maintaining the Cost records.

49. Annual Return and Annual Reports:

Annual return and Annual Reports of Company has been made available on the website of the Company: <https://digilogicsystems.com/investors/>

50. Risk Management:

The Board of directors of the Company regularly reviewed and has adopted measures to frame, implement and monitor the risk management plan for the company. The Board is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in systematically addressed through mitigating actions on a continuing basis.

51. Acknowledgments:

The Chairman and the Board of Directors of the Company take this opportunity to express their sincere gratitude to the Company's bankers for their continued support. The Board also extends its appreciation to the Company's shareholders, stakeholders, and employees for their unwavering trust, commitment, and valuable contributions.

For and on behalf of the Board of Directors of
DIGILOGIC SYSTEMS LIMITED
(Formerly known as Digilogic Systems Private Limited)

Date: 22.08.2026
Place: Hyderabad

Sd/-
Madhusudhan Varma Jetty
Chairman & Managing Director
DIN: 02247769

Sd/-
Radhika Varma Jetty
Whole-time Director
DIN: 03370284

Sd/-
Jetty Shashank Varma
Whole-time Director & CEO
DIN: 03370303

ANNEXURE - I

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

The Company is engaged in the business of ATE (Automated Test Equipment), Checkout Systems, RF Simulators & System Evaluators, System Engineering & Deployments, Data Acquisition Systems & Static Test Beds, Maintenance, Repair & Overhaul Services. The company is using a minimal amount of energy and the company makes continuous efforts to reduce energy consumption

- 1) **The steps taken or impact on conservation of energy:** The Company makes continuous efforts to reduce energy consumption.
- 2) **The steps taken by the Company for utilizing alternate sources of energy:** NIL
- 3) **The Capital investment on energy conservation equipment:** NIL

B. TECHNOLOGY ABSORPTION:

i. The Efforts made towards technology absorption:

- Helped introduce DRFM enabled Radar Target Echo Simulators made with cutting edge COTS hardware 12 years ago, paving way to move away from Traditional Analog based RF Simulators in DRDO and Defence PSU's.
- Created Rugged PXI enabled systems to help provide deployable systems with the added advantage from COTS (Commercial Off the Shelf) hardware, enabling ease of prototyping and advantage of deployable solutions for Ground and Naval Applications.
- Brought in experts and consultants to usher in INDIA'S FIRST SAR ENVIRONMENT SIMULATOR. This simulator helps emulate real world SAR characteristics in the comfort of lab environment, paving way to reduce airborne Sorties required to evaluate performance of SAR Payloads, saving the country hundreds of lakhs in costly and dangerous real-world testing.
- Helped architect and sell indigenous ADS-B receivers to the Indian market.
- Understood the concept of SAT-COM and helped make a completely INDIGENOUS SAT-COM HUB FOR DVB-S2 & DVB-RCS for DRDO.

ii. The Benefits derived like product improvement, cost reduction, product development or import substitution:

- By helping in Indigenization of various products such as the Radar Target Echo Simulator (RTES) for India, we made efforts to effectively increase the trade conducted in INR rather than Foreign Currency.
- With Indigenous solutions such as RTES or the SAT-COM HUB, we make sure that the Indian customers such as DRDO & Indian Defence PSU's get access to the complete system details which is usually not shared by Foreign OEM's, reducing our dependency on foreign players.
- Our products when designed by Digilogic Systems, help with the country's sovereignty and build towards attaining true SELF-RELIANCE IN DEFENCE SECTOR.
- By helping with indigenous efforts for India's aerospace and defence industry, we are able to create further awareness about cutting edge technologies and help further refine these technologies for our country.
- Ruggedization of PXI has also provided many of our customers to take the advantage provided by COTS to the field to make them field deployable reliable systems.

iii. Details of technology imported during the last three years reckoned from the beginning of the financial year: NIL

iv. The expenditure incurred on Research and Development: NIL

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(Rs. In Lakhs)

Particulars	March 31, 2026	March 31, 2025
Used	116.20	315.51
Earned	1.79	NIL

For and on behalf of the Board of Directors of
DIGILOGIC SYSTEMS LIMITED
 (Formerly known as Digilogic Systems Private Limited)

Date: 22.08.2026
 Place: Hyderabad

Sd/-
Madhusudhan Varma Jetty
 Chairman & Managing Director
 DIN: 02247769

Sd/-
Radhika Varma Jetty
 Whole-time Director
 DIN: 03370284

Sd/-
Jetty Shashank Varma
 Whole-time Director & CEO
 DIN: 03370303

ANNEXURE - II

MANAGEMENT DISCUSSION ANALYSIS REPORT

FY2026 operating context

FY26 combined a stronger Indian defence and aerospace demand environment with a more volatile global supply chain. For Digilogic, this translated into improved profitability and cash generation, while extended lead times for specialised imported hardware affected the timing of some customer deliveries.

Global economy

The global economy remained resilient but uneven through 2025. Growth was supported by services activity, investment in technology and continued consumer demand, while trade policy uncertainty, geopolitical tensions and elevated financing costs affected confidence and cross-border investment. The IMF's July 2025 update projected global growth of 3.0% in 2025, with inflation continuing to moderate but risks tilted toward trade fragmentation and geopolitical escalation. By 2026, the global economy continued to operate in a low-to-moderate growth environment where technology investment partly offset the drag from conflict and policy uncertainty.

Source: IMF World Economic Outlook updates, July 2025 and July 2026

Indian economy

India continued to be among the fastest-growing major economies. According to the National Statistics Office's provisional estimates under the new GDP series, real GDP grew by 7.7% in FY 2025-26, while Q4 growth was estimated at 7.8%. Domestic demand, services activity, investment and public capital expenditure remained important supports to activity. The combination of economic scale, policy continuity and higher public investment provided a favourable backdrop for strategic manufacturing, electronics, defence and aerospace value chains.

Source: MoSPI / PIB, Provisional Estimates of Annual GDP for FY 2025-26, 5 June 2026

Global defence and aerospace - CY 2025

The global defence and aerospace environment in CY 2025 was defined by sustained rearmament, faster technology cycles and a broader interpretation of mission readiness. Military capability is increasingly determined not only by the number of platforms held by a force, but by the performance of the electronics, sensors, software, communications, navigation, electronic-warfare and weapon subsystems embedded within those platforms. This has raised the importance of verification, qualification and repeatable testing throughout the lifecycle - from design and prototype validation to production acceptance, deployment, upgrades and maintenance.

SIPRI estimated global military expenditure at US\$2.887 trillion in 2025, an increase of 2.9% in real terms and the

eleventh consecutive annual rise. Europe increased military expenditure by 14% to US\$864 billion, while Asia and Oceania increased spending by 8.1% to US\$681 billion. The scale of expenditure is important, but the more relevant structural change for the engineering ecosystem is the shift toward networked, software-defined and sensor-intensive warfare, where system reliability depends on the validated interaction of multiple subsystems under realistic operational conditions.

Sources: SIPRI, Trends in World Military Expenditure 2025, April 2026; NATO Secretary General Annual Report 2025.

Mission-critical systems and the expanding validation requirement

Modern defence systems operate as interconnected systems-of-systems. A fighter aircraft, missile battery, naval combat system, unmanned platform or satellite depends on sensors, RF chains, processors, software, data links, power systems, navigation, actuators and command-and-control interfaces functioning together within tightly controlled timing and performance limits. A failure may arise not from a single component, but from an interface mismatch, software timing error, RF interference, calibration drift or unexpected behaviour under environmental stress. Consequently, test architecture is moving closer to the design architecture itself, with hardware-in-the-loop simulation, automated test equipment, signal generation and analysis, telemetry, data acquisition, environmental qualification and digital diagnostics becoming integral to programme development and sustainment.

The move toward modular open systems, software-defined radios, active electronically scanned arrays, high-speed digital interfaces and increasingly autonomous functions also changes the nature of testing. Validation must cover a larger number of configurations and software releases, often without access to the complete operational platform. This favours reusable test platforms, configurable instrumentation, scenario simulators and application software that can recreate sensors, targets, threats and communication environments in laboratories and production facilities.

Air power, avionics and airborne mission systems

Air forces continued to invest in combat aircraft, transports, helicopters, airborne early-warning platforms and unmanned aircraft, while existing fleets required avionics upgrades and longer service lives. The technology content of these platforms is rising through AESA radars, electronic support measures, secure communications, precision navigation, mission computers, electro-optical sensors and integrated self-protection systems. Each subsystem requires bench-level verification; once integrated, the aircraft requires interface, functional and mission-level validation. Ground checkout systems, avionics test benches, RF simulation,

data acquisition and hardware-in-the-loop environments are therefore critical both before first flight and through fleet sustainment.

Commercial aerospace showed similar engineering intensity. Airbus delivered 793 commercial aircraft in 2025, up 4% year on year, and ended the year with a record backlog of 8,754 aircraft. Large backlogs increase pressure on production rates and supplier quality, while next-generation cockpits, fly-by-wire controls, connected aircraft, advanced engines and predictive maintenance increase the amount of electronic and software verification required across manufacturing and MRO. The resulting demand is less about generic instrumentation and more about repeatable, traceable and automated test processes that can support higher throughput without compromising airworthiness.

Source: Airbus, 2025 Commercial Aircraft Orders and Deliveries, January 2026.

Missiles, precision weapons and integrated air defence

Missile and air-defence programmes became more central to global force modernisation in 2025. The operating environment increasingly includes long-range precision strike, ballistic and cruise missiles, beyond-visual-range air-to-air weapons, layered surface-to-air defence, counter-rocket and counter-drone systems, and growing investment in hypersonic technologies. These systems create some of the most demanding validation requirements in defence because guidance, navigation, seekers, propulsion interfaces, telemetry, command links and fire-control electronics must work reliably under high dynamics and very short engagement timelines.

Development and production therefore depend on multiple layers of testing: seeker and RF performance, target-echo generation, telemetry capture and replay, power and actuator testing, environmental screening, launcher and fire-control checkout, hardware-in-the-loop simulation, and system-level validation against representative targets and countermeasures. As weapon systems migrate from prototypes to serial production, repeatable production test equipment and field checkout systems become as important as development-laboratory instrumentation. The same installed test base can remain relevant through software upgrades, seeker changes, new variants and life-extension programmes.

Radar, electronic warfare, spectrum operations and C4ISR

Radar and electronic warfare are among the fastest-changing mission domains because they operate directly in a contested electromagnetic spectrum. AESA architectures, digital beamforming, wideband receivers, software-defined processing, passive detection, electronic support measures, electronic attack and countermeasure techniques require high-fidelity generation, capture and analysis of RF and IF signals. Radar performance must be assessed not only for range and detection, but also for waveform agility, antenna characteristics, clutter response, target discrimination and behaviour in jamming environments.

Electronic warfare further increases the need for representative scenario generation. Modern systems may need to recognise, classify and respond to many simultaneous emitters across wide bandwidths. This creates demand for spectrum monitoring, multi-emitter simulation, record-and-replay, RF up/down conversion, direction-finding validation and real-time signal processing. The broader C4ISR architecture adds data links, network timing, sensor fusion and command-and-control software, extending testing from individual RF chains to end-to-end mission threads.

Unmanned, autonomous and counter-drone systems

The expansion of unmanned aerial, surface and ground systems continued to reshape defence requirements. Lower-cost drones are now used for intelligence, surveillance, targeting, communications relay and strike, while counter-UAS has become a distinct mission set combining radar, RF detection, electro-optics, jamming, command-and-control and kinetic or directed-energy effectors. Autonomy adds another verification layer because navigation, perception, mission logic and communications must be assessed across normal, degraded and denied environments.

For the test and simulation ecosystem, this means increasing use of sensor and RF emulation, GPS/GNSS-denied navigation scenarios, communications-link testing, latency measurement, software-in-the-loop and hardware-in-the-loop simulation, and large scenario libraries. The objective is to identify failures before flight or field deployment and to reproduce operational anomalies in controlled environments.

Naval and land systems

Naval modernisation is increasingly electronics-led. Surface ships and submarines integrate surveillance and fire-control radars, sonars, electronic warfare suites, communications, navigation, missile and gun systems, power electronics and combat-management systems. The ship itself becomes a networked integration environment, which creates requirements for subsystem test benches, RF and communications validation, cable and interface testing, simulated target environments and acceptance testing before and after installation. Long platform lives also support recurring needs for obsolescence management, retrofits, software updates and replacement test solutions.

Land systems are undergoing a similar transition through digitised fire control, battlefield surveillance, counter-drone systems, precision artillery, active protection, secure communications and networked command systems. Vehicle electronics and distributed sensors must withstand vibration, shock, temperature and power-quality variations. This broadens the role of environmental screening, ruggedised test systems, automated diagnostics and field-deployable checkout equipment.

Space, satellites and ground systems

Space became an increasingly mission-critical part of both the defence and civil infrastructure stack in 2025. Satellites

support communications, positioning and timing, missile warning, earth observation, weather, maritime awareness and intelligence. The Satellite Industry Association reported that 296 commercially procured launches deployed a record 4,434 satellites during 2025; the commercial satellite industry generated US\$303 billion and accounted for 71% of a US\$429 billion global space economy. ESA estimated the 2025 upstream spacecraft-manufacturing and launch market at about EUR75 billion and noted that institutional demand was increasingly defence-led.

The increase in satellite count and mission criticality expands requirements across the entire chain: payload checkout, RF and antenna characterisation, telemetry and telecommand, data acquisition, environmental qualification, ground-station validation, navigation-signal testing and mission simulation. Satellite programmes face a particular constraint: systems cannot be physically repaired or reconfigured easily after launch, making pre-launch verification, redundancy testing and fault simulation exceptionally important. Large constellations add a second challenge - test methods must become more automated and repeatable to support production volumes that are closer to industrial manufacturing than traditional one-off spacecraft programmes.

Sources: Satellite Industry Association, *State of the Satellite Industry Report 2026 (2025 data)*; European Space Agency, *Space Economy Report 2026*.

Testing, measurement and simulation as an enabling layer

Across these segments, the common denominator is a higher ratio of electronics and software to mechanical content and a lower tolerance for failure. Mission-critical systems require evidence that they will perform under defined operating conditions, interact correctly with other subsystems and remain supportable over long life cycles. This shifts value toward engineering capabilities that combine instrumentation with application software, embedded processing, RF expertise, mechanical and electrical integration, documentation and lifecycle support. The opportunity is therefore linked not only to new platform procurement, but also to prototype development, serial-production testing, qualification, acceptance, upgrades, maintenance and obsolescence replacement.

India defence and aerospace - FY 2025-26

India's defence and aerospace ecosystem expanded in both scale and technological depth during FY 2025-26. The operating context was shaped by higher capital expenditure, accelerated domestic procurement, a larger private-sector role, operational emphasis on drones, layered air defence and electronic warfare, and a widening set of indigenous aircraft, missile, radar and space programmes. For mission-critical engineering suppliers, the significance lies in the number of programmes moving simultaneously through design, user evaluation, production, deployment and lifecycle support - each phase requiring different forms of test, measurement, simulation and system validation.

Key FY26 defence indicators

Defence budget	₹6.81 lakh crore original allocation	9.53% above FY25 Budget Estimate; 13.45% of Union Budget
Capital outlay	₹1.80 lakh crore original; ₹ 1.86 lakh crore revised	Revised capital allocation fully utilised in FY26
Domestic modernisation procurement	₹1.12 lakh crore earmarked	75% of modernisation budget earmarked for domestic sources
Defence production	₹1.78 lakh crore	15.6% year-on-year increase
Private-sector production	About ₹ 42,000 crores	24% of total production, up from 22% in FY25
Defence exports	₹38,424 crores	Record FY26 level

Sources: Ministry of Defence / PIB, Union Budget 2025-26; FY26 capital budget utilisation; defence production and export releases, 2026.

Modernisation, indigenisation and programme intensity

The Ministry of Defence received an original FY26 allocation of ₹ 6,81,210 crore, including ₹ 1.80 lakh crore for capital outlay. The capital allocation was later increased to ₹ 1.86 lakh crore at the Revised Estimate stage and was fully utilised. Within the modernisation budget, ₹ 1,11,545 crore was earmarked for procurement from domestic industry, including a specific allocation for domestic private industry. These numbers indicate both the scale of procurement and the policy preference for creating capability within India rather than relying solely on imported platforms and subsystems.

Defence production reached a record ₹ 1.78 lakh crore in FY26, up 15.6%, with the private sector contributing around ₹ 42,000 crore or 24%. Defence exports reached ₹ 38,424 crore. The industrial implication is the emergence of a broader production base that requires indigenous qualification, acceptance and support infrastructure. As local content rises, test fixtures, checkout systems, production ATE, RF measurement, environmental screening, embedded software and lifecycle diagnostics increasingly need to be developed alongside the products themselves.

Combat aircraft, helicopters and avionics

India's combat-aircraft ecosystem moved further toward indigenous production and subsystem localisation. In September 2025, the Ministry of Defence signed a contract with HAL for 97 LCA Mk1A aircraft valued at more than ₹ 62,370 crore excluding taxes. The aircraft are to incorporate over 64% indigenous content and additional indigenous systems including the UTTAM AESA radar, self-protection equipment and control-surface actuators. In October 2025, HAL inaugurated a third LCA Mk1A production line at Nashik, taking stated production capacity to 24 aircraft per year, while the AMCA Programme Execution Model opened prototype development participation to Indian public and private entities.

The defence aviation pipeline also includes 156 LCH Prachand helicopters contracted for the Army and Air Force, the 26-aircraft Rafale-M programme for the Navy, HTT-40 trainer production and continuing upgrade and sustainment requirements for existing fleets. Each programme generates a layered validation requirement: LRUs and avionics need automated bench testing; radars and RF systems require signal and antenna measurement; flight-control and actuator systems require dynamic and hardware-in-the-loop testing; and complete aircraft require ground checkout, mission simulation and post-maintenance verification. Production ramp-up increases the need for repeatable test stations that can reduce acceptance time while maintaining traceability.

Source: Ministry of Defence, Year End Review 2025 - LCA Mk1A, AMCA, Rafale-M and LCH programme updates.

Missile programmes, precision weapons and air defence

FY26 featured a dense cycle of indigenous missile and precision-weapon development and user evaluation. DRDO and the Army conducted four successful flight-tests of the Army MRSAM in April 2025. Astra beyond-visual-range air-to-air missile activity included flight testing with an indigenous RF seeker from a Su-30MKI in July 2025, while the wider programme includes Astra Mk-II acquisition plans. Pralay quasi-ballistic missile user evaluation progressed through consecutive tests in July and a salvo launch of two missiles in December 2025. Akash Prime demonstrated interception of high-speed unmanned targets at high altitude in Ladakh, and the Integrated Air Defence Weapon System brought together QRSAM, VSHORADS and a high-power laser directed-energy weapon under centralised command and control.

Other developments included a rail-mobile launch of Agni-Prime in September 2025, the maiden test of the 120 km Pinaka Long Range Guided Rocket in December, long-duration scramjet combustor testing for hypersonic technology, VLSRSAM activity for the Navy and continued investment in BrahMos integration and production. The BrahMos Integration and Testing Facility in Lucknow, inaugurated in May 2025, is particularly illustrative of the industrial direction: missile production requires assembly, integration and testing to be established as a repeatable manufacturing process rather than an isolated development activity.

These programmes create demand across seeker simulation, radar-target echo generation, RF and microwave measurement, telemetry acquisition, guidance and navigation interfaces, programmable power, actuator and control testing, launcher checkout, environmental stress screening and hardware-in-the-loop simulation. Missile families also tend to evolve through variants and production batches, creating recurring requirements for test-equipment replication, upgrades and field-level support.

Sources: DRDO / PIB releases on Astra, Pralay, Akash Prime, IADWS, Agni-Prime, Pinaka LRGR and Ministry of Defence Year End Review 2025.

Radar, electronic warfare, spectrum and counter-drone capability

Operational experience and procurement decisions during the year reinforced the importance of the electromagnetic spectrum. The Ministry of Defence's 2025 review highlighted electronic warfare, counter-drone, surveillance and precision systems as priority capability areas, while major acquisition approvals included electronic warfare systems, mountain radars, upgrades to air-defence systems and ground-based mobile ELINT capability. The combination of drones, long-range weapons and electronic attack means that detection, identification, tracking, jamming resistance and rapid command-and-control are becoming integrated requirements rather than separate equipment categories.

AESA radars and wideband EW systems impose demanding RF validation needs. Transmit/receive modules require characterisation; antennas and radomes require measurement of gain, pattern and phase behaviour; receivers require sensitivity and dynamic-range testing; and electronic-warfare equipment needs realistic multi-emitter environments to validate detection and response logic. Spectrum monitoring, signal acquisition and record/replay are equally relevant for field analysis and for reproducing operational signal conditions in laboratories. As systems become more software-defined, regression testing after software or waveform changes becomes a recurring lifecycle requirement.

Land and naval modernisation

Land modernisation during the year included precision artillery, anti-tank systems, battlefield surveillance, counter-drone equipment, communications and new-generation force multipliers. The Pinaka ecosystem, Nag missile system and digitised fire-control and surveillance systems all increase the electronic content of land warfare. Ruggedisation is a defining requirement: test and support equipment must work across temperature, vibration, dust and power-quality extremes and often needs to be deployable close to the operating unit.

The naval segment continued to combine shipbuilding with increasingly sophisticated mission electronics. Acquisition priorities included BrahMos fire-control systems and launchers, BARAK-1 upgrades, software-defined radios, autonomous surface craft, torpedoes, electro-optical systems and airborne early-warning capability. Naval platforms

bring together RF, sonar, communications, navigation, weapons and combat-management systems in a constrained electromagnetic environment. This creates requirements for interface verification, communications and radar test systems, cable and harness testing, subsystem simulation, acceptance testing and recurring maintenance support over long platform lives.

Space and satellite programmes

India's space programme added further depth to the aerospace validation ecosystem in FY26. The NASA-ISRO Synthetic Aperture Radar (NISAR) satellite was launched on GSLV-F16 on July 30, 2025. NISAR combines L- and S-band synthetic-aperture radar for global microwave imaging and required deployment and activation of a large radar antenna and dual-frequency payload chain after launch. LVM3-M5 launched the approximately 4,400 kg CMS-03 multi-band communication satellite on November 2, 2025, the heaviest communication satellite launched to geosynchronous transfer orbit from Indian soil at that time. LVM3 also supported a commercial BlueBird Block-2 launch in December 2025, highlighting the parallel development of institutional and commercial launch activity.

Gaganyaan remained a major systems-engineering and qualification programme. During FY26, ISRO completed the first Integrated Air Drop Test in August 2025 to validate the Crew Module's parachute-based deceleration system, followed by further main- and drogue-parachute qualification activity later in the year. Government disclosures also referred to integrated software simulation, propulsion hot testing, separation-system qualification and ground tests simulating failure conditions. Human spaceflight illustrates the highest end of the validation spectrum: safety-critical subsystems must be tested not only for normal operation but for off-nominal and failure scenarios, with evidence generated across hardware, software, structures, propulsion and recovery systems.

For the wider satellite ecosystem, growing earth-observation, communications, navigation and strategic-user missions increase the need for payload checkout, telemetry and telecommand systems, data acquisition, RF and antenna testing, environmental qualification and ground-segment validation. Space hardware combines high cost of failure with limited post-launch accessibility, making test completeness and traceability central to mission assurance. As India's private space ecosystem and launch commercialisation expand, repeatable qualification and production-test infrastructure will become increasingly relevant to smaller satellite and subsystem manufacturers as well as national programmes.

Sources: ISRO / Department of Space releases on NISAR, CMS-03, LVM3 and Gaganyaan qualification activities during FY26.

Civil aerospace, MRO and aerospace manufacturing

India's civil aerospace market is expanding alongside defence and space. Rising passenger traffic, aircraft induction, airport expansion and localisation of aerospace manufacturing are

increasing the installed base that requires maintenance, calibration, avionics support and component qualification. The strategic opportunity extends beyond airlines: aircraft OEM supply chains, MRO facilities, avionics suppliers, training and simulation providers, and component manufacturers all require controlled test processes and documentation consistent with aerospace quality standards.

The overlap between defence and civil aerospace is particularly relevant in electronics, RF, embedded systems, environmental qualification and software assurance. Common engineering disciplines allow capabilities developed for high-reliability strategic programmes to be applied selectively to aerospace manufacturing, MRO, satellite ground systems and other regulated applications, while maintaining the certification and traceability expectations of each market.

Industry implications for mission-critical test and simulation

The FY26 industry landscape points to a larger addressable requirement for mission-critical test, measurement and simulation, but also to higher capability expectations. Customers increasingly need engineering partners that can work from specification and prototype stages, develop software and indigenous hardware, integrate commercial instrumentation, qualify systems, document results and support the equipment through production and field deployment. The opportunity therefore extends across automated test systems, checkout systems, radar and EW simulation, RF measurement, data acquisition, signal processing, embedded platforms, rugged deployable equipment and lifecycle services.

Import dependence for specialised instrumentation and components remains an execution risk even as domestic content rises. This creates a parallel strategic requirement for reusable indigenous hardware, alternate component strategies, local subsystem development and stronger production planning. Over time, the combination of defence indigenisation, serial production, export-linked platform programmes and space activity can shift the market from predominantly one-off integration toward a mix of development systems, production test equipment, subsystem manufacturing support and long-duration lifecycle engagement.

REVIEW OF OPERATIONS

Business model and operating role

Digilogic is an engineering-led systems company focused on test, measurement and simulation solutions for defence, aerospace and other mission-critical applications. Its model combines customer-specific engineering with commercial off-the-shelf hardware, indigenous hardware and software, system architecture, integration, testing, acceptance and lifecycle support. The Company's role is therefore not limited to equipment supply; it converts programme requirements into validated systems that help customers test and assure the performance of complex subsystems and platforms.

The Company operates across three broad verticals: Test Systems, Application Software and Services. Its principal offerings include automated test equipment and test jigs, checkout systems, radar and electronic warfare simulators, measurement equipment, data acquisition software, embedded and signal-processing software, firmware development, upgrades, retrofits and lifecycle support.

FY26 portfolio performance

Revenue stream / product	FY26 (₹ crore)	FY25 (₹ crore)	YoY / mix observation
Data Acquisition Systems	4.58	6.98	Lower year-on-year
Automated Test Equipment	13.49	16.30	Lower year-on-year
Checkout Systems	16.80	32.08	Lower due to project mix/timing
Measurement Equipment	38.14	15.48	Largest FY26 product category
Total product revenue	73.01	70.85	+3.1%
Software development	1.00	0.37	Higher value-added software activity
AMCs	3.33	0.80	Strong increase in lifecycle support
Other services	0.09	0.04	Small base
Total service revenue	4.42	1.21	+263.9%
Revenue from operations	77.43	72.06	+7.5%

Source: Digilogic FY26 audited financial statements, revenue from sale of products and rendering of services

The FY26 mix shifted towards measurement equipment, while service revenue increased strongly, led by annual maintenance contracts and software development. A higher service component broadens lifecycle relevance beyond one-time system delivery, while the overall mix supported improved profitability.

Execution, order delivery and supply chain

FY26 demonstrated both the strength and the constraints of Digilogic's project-led model. Management reported that specialised hardware sourced from US and European OEMs experienced materially longer transit and lead times during the second half of the year. Components that would normally arrive in approximately eight weeks took close to four months in some cases. As a result, orders that were otherwise executable could not be completed by 31 March 2026, creating an estimated spillover of more than ₹22 crore into FY27.

The experience reinforced the need for stronger lead-time buffers, alternate logistics routes, earlier procurement action and tighter coordination with OEM partners. Management indicated that overseas suppliers have also been working on alternate routing and supply-chain options to improve delivery reliability. At the same time, the Company's audited FY26 material-consumption disclosure shows that 98.33% of materials consumed by value were indigenous and 1.67% imported. This should not be read as eliminating import risk: a relatively small imported value can still comprise specialised components whose absence can delay completion of an integrated system.

Strategic transition: from integration depth to manufacturing depth

The Company is entering a new phase in which it intends to retain TMS as a core business while moving further up the value chain into electronic subsystem design and manufacturing. This transition is being pursued through three mutually reinforcing actions: deeper in-house technology development, Project Udaan, and the creation of a specialised RF and microwave capability platform.

Project Udaan

A two-acre facility at TGIIC Hardware Park Phase II, Hyderabad, planned to add electronics manufacturing services, environmental stress screening/qualification, section-level integration, cable harness capability and higher throughput. The disclosed timeline targets production from December 2027.

Project Udaan is intended to improve control over manufacturing, integration, quality, lead times and capacity. Planned capabilities include PCB assembly, system integration, inspection, warehousing and logistics support, build-to-specification/build-to-print manufacturing, environmental testing and cable harness production. The investment is strategically important because it can allow Digilogic to execute more activities under one roof and participate in larger programmes with greater manufacturing content.

The Board also approved the proposed incorporation of ABHEDHYA SYSTEMS PRIVATE LIMITED, with Digilogic holding 80%, to focus on high-performance RF and microwave engineering solutions. Management has positioned this as a capability

extension relevant to radar, electronic warfare and communications applications. In parallel, the Company continues to invest in indigenous hardware, reusable software and embedded systems, including development initiatives in baseband electronics and customised computing platforms.

ERP and operating discipline

As the organisation scales, the recent ERP implementation is expected to become an important management-control platform. The objective is to connect finance, procurement, inventory and project information more closely, improve work-order and project-cost visibility, strengthen budgeting and procurement control, and support more timely management reporting. For a project-led engineering company, better cost capture at the project level can improve understanding of procurement variance, engineering effort, inventory usage and margin leakage. The system should also support stronger budgeting discipline as Project Udaan and a larger order pipeline increase the scale and complexity of operations.

The value of ERP will be realised progressively through process adoption, master-data discipline and management use of the resulting information. It is therefore best viewed as an enabler of scalability and control rather than as a one-time technology implementation.

Review of financial performance

FY26 recorded moderate revenue growth but stronger growth in earnings and cash generation. Revenue from operations increased by 7.5% to ₹77.43 crore, while total income increased by 8.4% to ₹78.27 crore. Management-reported EBITDA increased by 16.4% to ₹15.18 crore and EBITDA margin improved to 19.6% from 18.1%. Profit before tax increased by 30.7% to ₹13.76 crore and profit after tax increased by 33.8% to ₹10.43 crore. PAT margin improved to 13.47% from 10.82%.

Particulars	FY26	FY25	YoY change
Revenue from operations (₹ crore)	77.43	72.06	+7.5%
Total income (₹ crore)	78.27	72.19	+8.4%
EBITDA (₹ crore)	15.18	13.04	+16.4%
EBITDA margin	19.6%	18.1%	+150 bps
Profit before tax (₹ crore)	13.76	10.53	+30.7%
PAT (₹ crore)	10.43	7.79	+33.8%
PAT margin	13.47%	10.82%	+265 bps
Cash flow from operations (₹ crore)	12.63	(10.51)	Turned positive
Net worth (₹ crore)	108.09	33.17	+225.9%
Total debt (₹ crore)	4.06	13.34	-69.6%

Source: Audited FY26 financial statements; FY26 earnings call management KPI disclosures

Margins and profitability

The improvement in profitability was driven by product mix and higher software value addition, as explained by management. Cost of materials consumed declined to ₹40.74 crore from ₹50.91 crore, although changes in work-in-progress also moved in the opposite direction and should be considered when assessing gross economics. Employee benefit expense increased to ₹10.45 crore from ₹8.40 crore, reflecting the continued investment in people and the larger operating base. The net outcome was faster growth in EBITDA and PAT than in revenue.

Cash flow, working capital and balance sheet

The most significant financial-quality improvement in FY26 was the return to positive operating cash flow. Net cash generated from operating activities was ₹12.63 crore compared with a cash outflow of ₹10.51 crore in FY25, supported by improved inventory and receivable control. Inventories declined to ₹7.72 crore from ₹10.61 crore and trade receivables were broadly stable at ₹42.98 crore compared with ₹43.67 crore despite higher revenue.

The IPO materially strengthened the balance sheet. Shareholders' funds increased to ₹108.09 crore from ₹33.17 crore and cash and bank balances rose to ₹34.16 crore. The Company repaid its Indian Bank term loan of ₹8.42 crore in January 2026 using ₹8.00 crore from IPO proceeds and ₹0.42 crore from internal accruals. Total borrowings declined to approximately ₹4.06 crore at year-end. Capital work-in-progress increased to ₹4.45 crore, reflecting the early stages of the expansion programme.

Key financial ratios

Ratio	FY26	FY25	Management interpretation
Current ratio	3.46x	1.60x	Higher cash and bank balances after fresh equity infusion strengthened liquidity
Debt-equity ratio	0.04x	0.40x	Material deleveraging and a larger equity base
Debt service coverage ratio	7.69x	4.71x	Higher EBITDA and lower debt improved debt-servicing capacity
Return on equity	14.77%	33.38%	Lower percentage reflects the substantially enlarged equity base after the IPO
Return on capital employed	17.28%	33.73%	Capital employed increased ahead of the full earnings contribution from new capital
Return on investment	9.98%	14.46%	Average total assets increased materially following the fund raise
Inventory turnover	8.45x	10.89x	Lower turnover; year-end inventory nevertheless declined
Trade receivables turnover	1.79x	2.28x	Receivable cycle remains an area for continuing management attention
Trade payables turnover	5.25x	7.45x	Reflects movement in purchase mix and supplier balances
Net working capital turnover	1.80x	5.38x	Lower because IPO proceeds increased current assets and average working capital
Net profit ratio	13.47%	10.82%	Improved profitability and business mix

Source: Annexure E - Statement of Accounting Ratios, Digilogic FY26 Annual Report

Understanding the return ratios

The decline in ROE and ROCE should be interpreted in the context of the January 2026 IPO. The fresh issue increased the equity and capital base late in the financial year, while the earnings benefit from deployment of that capital - including Project Udaan - will be realised over a longer period. Accordingly, FY26 return ratios reflect a transition year in which capital was raised ahead of full operating deployment. The medium-term financial objective should be to translate the strengthened balance sheet into higher absolute earnings and cash generation while progressively improving asset utilisation and returns on capital.

Working-capital priorities and ERP

Although cash flow improved substantially, Digilogic's project-led model can remain working-capital intensive because customer acceptance, milestone billing, receivable collection and procurement of long-lead components may not occur in the same period. The ERP implementation can support this area through improved inventory visibility, purchase commitments, project costing, budget-to-actual tracking and receivable monitoring. Better information should allow management to distinguish strategic inventory from slow-moving inventory, identify project-level cost variances earlier and connect operational planning more closely with cash-flow forecasts.

Risk management

Digilogic operates in mission-critical programmes with customer-specific engineering, long procurement cycles and stringent quality requirements. The risk-management approach therefore needs to combine technical, commercial, financial and governance controls. The following risk matrix reflects the principal risks relevant to the Company's current operating model and strategic transition.

Risk	Description	Probability	Impact	Mitigation / management response
Project execution and delivery	Custom engineering may face design changes, approvals, long-lead items and integration delays.	Medium	High	Milestone reviews; parallel HW/SW planning; customer coordination; long-lead escalation; ERP project visibility.
Supply chain / imported hardware	Critical COTS/RF hardware from overseas OEMs is exposed to logistics, geopolitics and export controls.	Medium-High	High	Earlier ordering; alternate routes/sources; OEM coordination; selective buffers; localisation or design substitution where viable.
Customer / programme concentration	Revenue depends on defence/aerospace customers, tenders and programme priorities.	Medium	High	Broaden programmes, applications and OEM relationships; expand lifecycle services; build export readiness.

Risk	Description	Probability	Impact	Mitigation / management response
Technology obsolescence	Rapid change in radar, EW, RF, embedded and simulation technologies can shorten technology relevance.	High	High	R&D; reusable platforms; embedded software; RF/microwave capability; partnerships and customer-led development.
Project Udaan execution	Facility build-out carries schedule, cost, commissioning and ramp-up risk.	Medium	High	Phased milestones; Board review; capex tracking; approvals; staged installation, validation and trial runs.
Quality and certification	Defence/aerospace requires repeatability, traceability, documentation and formal acceptance.	Low-Medium	High	AS9100D / ISO 9001:2015 QMS; incoming/in-process/final QA; documented acceptance; environmental and functional testing.
Working capital and receivables	Milestone billing, acceptance and long-lead procurement can create uneven cash conversion.	Medium	Medium-High	Receivable and inventory reviews; cash-flow planning; project costing/budgeting; liquidity discipline.
Cyber and information security	Engineering, customer and business data require protection.	Medium	High	Access and endpoint controls; backups; awareness; periodic IT review and incident-response discipline.
Talent and knowledge concentration	Specialist knowledge can be concentrated in key employees and teams.	Medium	Medium-High	Training; documentation; cross-functional exposure; second-line development; targeted specialist hiring.
Regulatory / listed-company compliance	Listing, disclosure, governance and defence-sector obligations increase compliance complexity.	Low-Medium	Medium-High	Board/Audit Committee oversight; Company Secretary and finance controls; calendars; internal/statutory audit.

Internal control systems and their adequacy

The Company has internal control systems designed to provide reasonable assurance regarding the safeguarding of assets, accuracy and reliability of financial information, compliance with applicable laws and regulations, and effective execution of business processes. The control framework includes defined authorisation levels, financial and operational reviews, project-level controls, inventory and procurement processes, quality-management procedures, statutory and internal audit mechanisms, and oversight by the Board and Audit Committee.

The transition to a listed company and the implementation of ERP are expected to further strengthen the control environment by improving transaction traceability, project-cost visibility, budgeting, inventory management and management reporting. Internal controls are reviewed periodically and are intended to evolve in line with the increasing scale and complexity of operations, including the implementation of Project Udaan.

Human resources

Human capital is central to Digilogic's ability to execute specialised defence and aerospace programmes. The Company operates with a 100-plus team of engineers, developers and functional professionals. Its operating model requires multidisciplinary capability across electronics, RF, embedded systems, software, mechanical integration, quality, procurement, project management, business development and field support.

Employee benefit expense increased to ₹10.45 crore in FY26 from ₹8.40 crore in FY25, reflecting salary and people-related investments as the organisation prepared for a larger operating base. As Digilogic moves toward greater subsystem manufacturing and product development, the talent agenda will increasingly include manufacturing engineering, quality systems, supply-chain management, RF and microwave engineering, embedded computing, software and project leadership.

The Company's people approach is built around technical ownership, project exposure, continuous learning and customer responsiveness. Training, cross-functional collaboration, documentation and development of second-line leadership will be important to reduce key-person dependence and preserve organisational knowledge as the Company scales. The Company is also expected to strengthen professional functions such as finance, compliance, human resources, supply chain and investor communication as part of its transition to a larger listed enterprise.

Source: Digilogic FY26 investor presentation and audited financial statements

Outlook

The operating environment remains supportive, led by India's defence modernisation, higher domestic production, rising exports and continuing localisation. For Digilogic, the immediate opportunity lies in converting its established TMS capabilities and customer relationships into deeper programme participation while improving execution predictability. The Company enters FY27 with spillover orders from FY26 and a disclosed order book of approximately ₹31 crore at the time of its FY26 earnings call, while management continues to pursue a broader tender pipeline.

The principal near-term priorities are to execute the existing order book, improve supply-chain resilience, institutionalise ERP-led planning and project costing, advance Project Udaan

on schedule, deepen RF and embedded capabilities and grow lifecycle services. Over the medium term, successful capital deployment will be reflected not only in revenue growth but also in sustained cash generation, stronger utilisation of the enlarged equity base and progressive recovery in ROE and ROCE as new capacity and capabilities begin contributing to earnings.

Given the long-cycle nature of defence programmes, quarterly performance can remain uneven and sensitive to procurement, acceptance and component availability. The Company's focus will therefore remain on disciplined execution, quality, technology relevance, cash conversion and building capabilities that support durable participation in India's defence and aerospace ecosystem.

For and on behalf of the Board of Directors of
DIGILOGIC SYSTEMS LIMITED
(Formerly known as Digilogic Systems Private Limited)

Date: 22.08.2026
Place: Hyderabad

Sd/-
Madhusudhan Varma Jetty
Chairman & Managing Director
DIN: 02247769

Sd/-
Radhika Varma Jetty
Whole-time Director
DIN: 03370284

Sd/-
Jetty Shashank Varma
Whole-time Director & CEO
DIN: 03370303

ANNEXURE - III**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. There were no contracts/arrangements entered into by the company with related parties which are not at arm's length basis.
2. Details of contracts or arrangements or transactions entered into by the company with related parties which are at arm's length basis:

(Amount in ₹)

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Date of General Meeting, if any	Amount paid as advances, if any	Justification for entering into contracts
1	Mr. Madhusudhan Varma Jetty Managing Director	Professional Services	April – July, 2025	Professional services to support the company's business growth through strategic innovation, process improvement, and technology-driven solutions. Value of the Transaction: ₹ 32,00,000 (For Four Months i.e. April - July 2025)	10-04-2025	N.A.	-	Mr. Madhusudhan Varma Jetty is providing Professional services to support the company's business growth through strategic innovation, process improvement, and technology-driven solutions.

For and on behalf of the Board of Directors of
DIGILOGIC SYSTEMS LIMITED
(Formerly known as Digilogic Systems Private Limited)

Date: 22.08.2026
Place: Hyderabad

Sd/-
Madhusudhan Varma Jetty
Chairman & Managing Director
DIN: 02247769

Sd/-
Radhika Varma Jetty
Whole-time Director
DIN: 03370284

Sd/-
Jetty Shashank Varma
Whole-time Director & CEO
DIN: 03370303

ANNEXURE - IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year 2025-26

To,
The Members,
M/s. DIGILOGIC SYSTEMS LIMITED
102, 1st Floor, DSL Abacus Tech Park,
Uppal Kalsa Village, Uppal Mandal,
Rangareddy, Telangana-500039, India.

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

Based on my verification of the **M/s. DIGILOGIC SYSTEMS LIMITED** 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, We hereby report that in our opinion, the company has, during the audit period covering the year ended 31st March 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:

1. We have examined the books, papers, minute books, forms, and returns filed and other records maintained by "the Company" for the year ended 31st March 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;
 - (v) The Industry-specific Acts, Labour and other applicable laws applicable to the Company as provided below;
 - (vi) 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 - **Complied with to the extent applicable and the company shares were listed BSE – SME Segment on 28th January, 2026.**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Complied with to the extent applicable from 28th January, 2026 since the company shares were listed in BSE – SME Segment.**
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Complied with to the extent applicable from 18th September, 2025 (Date of Filing of DRHP with BSE) and the company shares were listed BSE – SME Segment on 28th January, 2026.**
- d) The Securities and Exchange Board of India (Share based employee benefits and Sweat Equity) Regulations, 2021 - **Not Applicable.**
- e) The Securities and Exchange Board of India (issue and listing of non-convertible securities) Regulations, 2021 - **Not Applicable.**
- f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **Complied with to the extent applicable from 28th January, 2026 since the company shares were listed in BSE – SME Segment.**
- 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 the client - **Complied with to the extent applicable.**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable.**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **Not Applicable.**

- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
2. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India which were notified and effective from 1st July 2015.
 - (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (ii) Listing Agreement entered into by the Company with BSE Limited with respect to the listing of its equity shares under SME Segment.
- During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
3. The Company is in the business of to engage in the design, development, manufacture, assembly, integration, testing, servicing, overhaul, upgrade, import, export, and supply of defense and aerospace systems, platforms, sub-systems, and components including but not limited to weapons systems, surveillance systems, communication systems, radar systems, navigation and avionics, unmanned aerial and ground vehicles, electronic warfare systems, and cybersecurity solutions etc., Accordingly, the industry-specific laws / general laws as applicable to the company has been complied with. The management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines that are specifically applicable to the Company relating to Industry /Labour, etc., have been complied with. We have relied on the representation made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations, and it was noted that the Company has complied below provided Laws to the extent applicable.

S.No	Name of the enactment
1	Goods and Services Tax Act, 2017
2	The Apprentices Act, 1961
3	The Central Goods and Services Tax Act, 2017
4	The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986
5	The Competition Act, 2002
6	The Contract Labour (Regulation and Abolition) Act, 1970
7	The Customs Act, 1962
8	The Electricity Act, 2003
9	The Employees' State Insurance Act, 1948
10	The Employees Provident Funds and Miscellaneous Provisions Act, 1952
11	The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
12	The Equal Remuneration Act, 1976
13	The Factories Act, 1948
14	The Income Tax Act
15	The Information Technology Act, 2000
16	The Maternity Benefit Act, 1961
17	The Minimum Wages Act, 1948
18	The Micro, Small & Medium Enterprises Development (MSMED) Act, 2006
19	The Payment of Bonus Act, 1965
20	The Payment of Gratuity Act, 1972
21	The Rights of Persons with Disabilities Act, 2016
22	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
23	Telangana Tax on Professions, Trades, Callings and Employments Act, 1987.

4. The Board of Directors of the Company was reconstituted during the reporting period following the conversion of the company from a Private Limited Company to Public Limited Company. The Board now duly constituted with an appropriate balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director in accordance with the requirements of the Companies Act, 2013.

Pursuant to the conversion and change in status, the Company has also constituted statutory committees, including the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, and other committees as applicable.

The changes in the composition of the Board and constitution of committees were carried out in compliance with the provisions of the Act and relevant rules made thereunder. The following changes have been made in the composition of the Board of Directors and Key Managerial Personnel.

S No.	Name of the Director	Designation	Nature of Change	Date of Change
1	Madhusudhan Varma Jetty	Managing Director	Chairman and Managing Director	25.07.2025
2	Radhika Varma Jetty	Director	Whole-time Director	25.07.2025
3	Jetty Shashank Varma	Director	Whole-time Director and CEO	25.07.2025
4	Hitesh Varma Jetty	Director	Whole-time Director	25.07.2025
5	Balasubramanyam Danturti	Independent Director	Appointment	25.07.2025
6	Sesha Rama Srinivasa Sastry Pullela	Independent Director	Appointment	25.07.2025
7	Madadi Ugender Reddy	Independent Director	Appointment	25.07.2025

5. Adequate notice is generally given to all Directors to schedule the Board/Committee Meetings. The agenda and detailed notes on agenda were sent at least seven days in advance; in case of shorter notices, proper approvals obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting by the Directors.

All the decisions of the Board and Committees thereof were carried out with the requisite majority and recorded in the minutes of the respective meetings.

The Website of the company contains several policies as specified by SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the provisions of the Companies Act 2013.

6. We 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.
7. We further report that, during the audit period
 - (i) The Company at its EGM held on 18th June, 2025, passed special resolution for approval of conversion of Private company into a Public Company, and on 01st July, 2025, it got converted into a Public Limited Company. The Company has altered its Memorandum of Association and Articles of Association in compliance with the Companies Act, 2013 to align with the requirements for a Public Company.
 - (ii) The Company at its EGM held on 18th June, 2025, passed special resolution for alteration of the Main Objects Clause III(A) and Clause III(B) contained in the Memorandum of Association of the Company & adoption of Table A of Schedule-I of the Companies Act, 2013.
 - (iii) The Company at its EGM held on 18th June, 2025, passed ordinary resolution for Alteration of Share Capital Clause of the Memorandum of Association by increasing the Authorised Capital from ₹ 6.00 Cr to ₹ 10.00 Cr.
 - (iv) The Company at its EGM held on 25th July, 2025, the Company has sub-divided the face value of its equity shares from ₹ 10/- each to ₹ 2/- each, in accordance with the provisions of the Companies Act, 2013, to enhance liquidity and facilitate wider investor participation in its proposed IPO.
 - (v) The Company at its EGM held on 25th July, 2025, passed special resolution authorising the Board of Directors (i) Approval to borrow monies in excess of the aggregate of paid-up share capital, free reserves and securities premium, pursuant to Section 180(1)(c) upto ₹150 Crores, and (ii) to create mortgage/charge on the Company's movable and immovable properties for securing such borrowings, sell, lease or dispose of the whole or substantially whole or any of the undertakings of the company pursuant to Section 180(1)(a) upto the limits availed as per section 180(1)(c) of Companies Act, 2013.
 - (vi) The Board of Directors at its meeting dated 03rd August, 2025, approved the proposal to undertake and Initial Public Offering and subsequently the members of the company also approved by passing Special Resolution at the 14th AGM of the company was duly held on 18th August, 2025 and authorized the Company to proceed with the IPO and list its equity shares on the recognized stock exchange(s), in accordance with the provisions of the Companies Act, 2013 and applicable SEBI regulations.

- (vii) The Company identified and classified certain individuals as Promoters in accordance with the definitions and disclosure requirements prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, in connection with its proposed Initial Public Offering (IPO). The classification was duly approved by the Board vide board resolution dated 03rd August, 2025 and disclosed in the Draft Red Herring Prospectus (DRHP) filed with the Stock Exchange BSE Limited.

Pursuant to the above approvals, the Company filed its Draft Red Herring Prospectus (DRHP) with the Stock Exchange - BSE Limited on 18th September, 2025 and the Company filed its Red Herring Prospectus (RHP) with the Stock Exchange - BSE Limited on 13th January, 2026 in connection with its proposed Initial Public Offering on the BSE SME platform.

- (viii) The Company has raised ₹ 69,66,33,600 by allotting 66,98,400 equity shares of ₹ 2/- each with a premium of ₹ 102/- each on 23rd January, 2026 by way of Initial Public Offer.

8. We further report that, during the audit period, the Company has filed Applications for Adjudication with the Registrar of Companies, Hyderabad under the provisions of the Companies Act, 2013, in respect of certain non-compliances / delays in filing of statutory forms / other matters, as applicable, the details of which are given below.

S. No	Particulars of Adjudication Application
1	Application for Adjudication of Penalties under Section 454 of the Companies Act, 2013 read with Section 42 of the Companies Act, 2013.
2	Application for Adjudication of Penalties under Section 454 of the Companies Act, 2013 read with Section 92 and Section 450 of the Companies Act, 2013.
3	Application for Adjudication of Penalties under Section 454 of the Companies Act, 2013 read with Section 73 and 450 of the Companies Act, 2013.
4	Application for Adjudication of Penalties under Section 454 of the Companies Act, 2013 read with Section 117 of the Companies Act, 2013.

Subsequent to the closure of the financial year 2025-26, the Company has received eight adjudication orders from the Registrar of Companies, Hyderabad, in respect of the aforesaid adjudication applications.

Out of the said eight adjudication orders, the Company has preferred appeal against three adjudication orders passed by the Registrar of Companies, Hyderabad before the Regional Director, South Eastern Region, Hyderabad, as detailed below.

S. No	Particulars of Appeal Application
1	Appeal against the Order of Registrar of Companies Under Section 42(10)
2	Appeal against the Order of Registrar of Companies Under Section 42(10)
3	Appeal against the Order of Registrar of Companies Under Section 42(10)

Further, as on the date of this Report, the Regional Director, South Eastern Region, Hyderabad, has allowed the aforesaid appeals preferred by the Company and the corresponding orders have been filed with the Registrar of Companies, Hyderabad.

For **SARV & Co.,**
Company Secretaries

Sd/-
(A. BHIMESWARA RAO)

Partner

M. No. FCS-14110: C.P No.13380.

ICSI UDIN: F014110H000992285

Peer Review Certificate No: 7240/2025.

Place: Hyderabad
Date: 31.07.2026

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE-A' and forms an integral part of this report

'ANNEXURE-A'

To,

The Members,

M/s. DIGILOGIC SYSTEMS LIMITED

102, 1ST Floor, DSL Abacus Tech Park,

Uppal Kalsa Village, Uppal Mandal,

Rangareddy, Telangana-500039, India.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and the happening of events, etc.
5. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. 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.

For **SARV & Co.,**
Company Secretaries

Sd/-
(A. BHIMESWARA RAO)

Partner

M. No. FCS-14110: C.P No.13380.

ICSI UDIN: F014110H000992285

Peer Review Certificate No: 7240/2025.

Place: Hyderabad

Date: 31.07.2026

ANNEXURE - V

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Sec 135 of the Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on CSR Policy of the Company:

As per Section 135 of the Companies Act 2013, the Board of Directors identify, monitor and review CSR activities of the Company and provide strategic directions for implementation of the CSR policy, which can be accessed on the website of the Company <https://www.digilogicsystems.com/>.

The Company has identified and considered areas of operations as per Schedule VII of the Companies Act, 2013 and is being spending accordingly.

2. Composition of CSR Committee:

Sl. No.	Name of Director	CSR Committee Position	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.	Mr. Madadi Ugender Reddy	Chairman	Independent Director	1	1
2.	Mr. Madhusudhan Varma Jetty	Member	Managing Director	1	1
3.	Mrs. Radhika Varma Jetty	Member	Whole-time Director	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:

a. Composition of CSR Committee:

<https://digilogicsystems.com/investors/corporate-governance/composition-of-committees/>

b. CSR Policy:

<https://digilogicsystems.com/investors/corporate-governance/statutory-policies/>

c. CSR projects approved by the Board: NA

4. Provide the details 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 (attach the report): NA

5. (a) Average net profit of the company as per section 135(5): Rs. 556.10 Lakhs only
- (a) Two percent of average net profit of the Company as per Section 135(5): Rs. 11.13 Lakhs only
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: - Nil
- (d) Total CSR obligation for the financial year (b+c-d): Rs. 11.13 Lakhs only

6. (a) Amount spent on CSR Projects both Ongoing Project and other than Ongoing Project:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project		Amount spent for the project (in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	VISION FOR INCLUSIVE OF EMPOWERMENT AND WELFARE FOR PERSONS WITH DISABILITIES	Education	No	Andhra Pradesh,	Anantapur District	6.00	No	VISION FOR INCLUSIVE OF EMPOWERMENT AND WELFARE FOR PERSONS WITH DISABILITIES	CSR 00054774
2.	DEVNAR FOUNDATION OF THE BLIND	Education	No	Telangana,	Hyderabad	5.50	No	DEVNAR FOUNDATION OF THE BLIND	CSR 00003539
Total						11.50			

- (b) Amount spent in Administrative Overheads: NIL
- (c) Amount spent on Impact Assessment, if applicable: NIL
- (d) Total amount spent for the Financial Year (a+b+c): 11.50 Lakhs only
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In Rs. Lakhs)	Amount unspent (Rs in Lakhs)					
	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	
11.50	NIL	NA	NA	NIL	NA	

- (f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (Rs in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	11.13
(ii)	Excess amount spent in previous year and available for set off during the year	0
(iii)	Total amount spent for the Financial Year	11.50
(iv)	Excess amount spent for the financial year [(iii)-(i)-(ii)]	0.37
(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 [iv-v]	0.37

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

Sl. No.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (Rs. Lakhs)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (Rs. Lakhs)	Amount Spent in the Financial Year (Rs. Lakhs)	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 (Rs. Lakhs)	Deficiency, if any
NIL							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If yes, enter the number of capital assets created/acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year: **Not Applicable**

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

For and on behalf of the Board of Directors of
DIGILOGIC SYSTEMS LIMITED
 (Formerly known as Digilogic Systems Private Limited)

Date: 22.08.2026

Place: Hyderabad

Sd/-

Madhusudhan Varma Jetty
 Chairman & Managing Director
 DIN: 02247769

Sd/-

Radhika Varma Jetty
 Whole-time Director
 DIN: 03370284

Sd/-

Jetty Shashank Varma
 Whole-time Director & CEO
 DIN: 03370303

ANNEXURE - VI

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- 1) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and Manager during the financial year 2025-26 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26 are as under:

Name of Director(s) /Key Managerial Personnel (KMP)	Designation	Remuneration Of Director/ KMP (amount in ₹)	% increase/ Decrease in remuneration	Ratio of Remuneration of each Director to the median remuneration of employees
Mr. Madhusudhan Varma Jetty	Chairman & Managing Director	1,27,94,800	33.27%	30.71
Mrs. Radhika Varma Jetty	Whole-Time Director	42,10,792	38.15%	10.10
Mr. Jetty Shashank Varma	Whole-Time Director & CEO	61,67,425	-52.52 %	14.80
Mr. Hitesh Varma Jetty	Whole-Time Director	50,31,791	87%	12.07
Mr. Madadi Ugender Reddy	Non-Executive Independent Director	Not applicable*	Not applicable*	-
Mr. Sesha Rama Srinivasa Sastry Pullela	Non-Executive Independent Director	Not applicable*	Not applicable*	-
Mr. Balasubramanyam Danturti	Non-Executive Independent Director	Not applicable*	Not applicable*	-
Mr. Kameswara Rao Vempati	Company Secretary & Compliance Officer	13,45,330	Not applicable**	3.22
Mr. Sriharsha Vadakattu	CFO	36,56,604	Not applicable**	8.77

Note:

*Independent Director was paid sitting fees for attending the Board and Committee Meetings.

** These KMPs held their respective positions for only part of the previous financial year. Accordingly, the percentage increase in their remuneration is not comparable with that of the previous year.

- 2) The percentage increase in the median remuneration of employees in the financial year:
17.50%
- 3) The number of permanent employees on the rolls of Company: There were 104 permanent employees (103 Male employees and 1 Female employee) on the rolls as on March 31, 2026.
- 4) Average percentile increases 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:
- Average Percentage increase in the Remuneration of all Employees (Other than Key Managerial Personnel): 10.90 %
 - Average Percentage increase in the Remuneration of Key Managerial Personnel: 27%
- 5) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy of the Company. The information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the company as no employee is in receipt of remuneration exceeding ₹ 8,50,000/- per month or ₹ 1,02,00,000/- per annum except as provided below:

Particulars of Remuneration:

Statement of Particulars of Employees pursuant to the provisions of Rule 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 2025-26:

Sr. No	Particular's	Details
1	Name of Employee	Mr. Madhusudhan Varma Jetty
2	Designation	Chairman & Managing Director
3	Remuneration received	1,27,94,800
4	Nature of Employment	Permanent
5	Qualification and Experience	Post Graduation in Public Administration Over 38 years of experience in defence and space, including 15 years of service in the Indian Air Force and subsequent experience in defence technology and business development. He is one of the promoters of the Company.
6	Date of Commencement of employment	09/12/2011
7	Age of Employee	66 Years
8	Last Employment details	-
9	% of Equity Shares held in the Company as on 31st March 2026.	42.92%
10	Whether any such employee is relative of any Director or Manager of the Company and if so, name of such Director/Manager.	Mrs. Radhika Varma Jetty, (Spouse)- Whole-time Director Mr. Jetty Shashank Varma, (Son)- Whole-time Director & CEO Mr. Hitesh Varma Jetty (Son)- Whole-time Director

LIST OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN:

Sr. No	Name	Designation	Remuneration (in Rupees)	Nature of Employment	Date of Commencement	Age (Years)	% Holding in the Company	Whether relative of any Director, if so, name of such Director
1	Madhusudhan Varma Jetty	Chairman and Managing Director	1,27,94,800	Permanent	09/12/2011	66	42.92	Yes
2	Jetty Shashank Varma	Whole-time Director and CEO	61,67,425	Permanent	28/01/2020	35	0.17	Yes
3	Hitesh Varma Jetty	Whole-time Director	50,31,791	Permanent	20/01/2025	30	0.17	Yes
4	Radhika Varma Jetty	Whole-time Director	42,10,792	Permanent	09/12/2011	59	20.99	Yes
5	Vadakattu Sri Harsha	CFO	36,56,604	Permanent	26/03/2025	42	0.095	No
6	V. Srikanth Reddy	GM - Business Development	29,52,643	Permanent	04/07/2011	41	0.12	No
7	M. Srinivasulu Naidu	GM - Projects	22,59,283	Permanent	25/08/2010	55	0.12	No
8	A. Srinu Naik	Sr. Manager - System Engg.	19,33,648	Permanent	04/01/2012	44	0.08	No
9	M. Sudheer Kumar	Senior Manager - Projects	19,33,648	Permanent	17/11/2011	39	0.08	No
10	Prudhviraj Mushyam	Manager - Business Development	18,63,338	Permanent	01/12/2017	30	0	No

For and on behalf of the Board of Directors of
DIGILOGIC SYSTEMS LIMITED
 (Formerly known as Digilogic Systems Private Limited)

Date: 22.08.2026
 Place: Hyderabad

Sd/-
Madhusudhan Varma Jetty
 Chairman & Managing Director
 DIN: 02247769

Sd/-
Radhika Varma Jetty
 Whole-time Director
 DIN: 03370284

Sd/-
Jetty Shashank Varma
 Whole-time Director & CEO
 DIN: 03370303

INDEPENDENT AUDITORS' REPORT

To
The Members of
DIGILOGIC SYSTEMS LIMITED
(Formerly known as **DIGILOGIC SYSTEMS PRIVATE LIMITED**)
Hyderabad.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **DIGILOGIC SYSTEMS LIMITED (Formerly known as DIGILOGIC SYSTEMS PRIVATE LIMITED)** (the company) which comprises the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2026; and
- b) In the case of the Statement of Profit and Loss, of the profit for the period ended on that date;
- c) In the case of the cash flow statement, of the cash flows for the period ended on that date.

Basis for Opinion

We have 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 Company 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 opinion.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance

with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 is also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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 financial statements of the current period 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. The companies (Auditors report) order, 2020 (as amended) (The order) issued by the Central Government of India in terms of Sub Section (11) of Section 143 of the companies Act 2013 is applicable to this company, refer to our separate report in "Annexure A".
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 appears from our examination of those books.
 - c. The Balance Sheet; the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid 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 written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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"; and
 - g. With respect to the other matters 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 does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - iii. There is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies

Act, 2013. Hence delay in depositing the amounts to the said fund is not applicable.

- iv. a) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity (intermediaries), with the understanding directly or indirectly lend or invest in other persons or entity's 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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (Funding Parties), with the understanding whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entity's 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.

- c) Based on the audit procedures that have been considered that are reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- d) During the financial year, the company has not declared any dividend.
- e) Based on our examination and representations received from the company, the accounting software used by the company for maintenance of its books of accounts contains the feature of recording audit trail (edit log) facility which is required as per proviso to Rule 3(1) of Companies (Accounts) Rules, 2014. In our opinion, it is preserved and not tampered for the period ending 31st March, 2026.

For B. Srinivasa Rao & Co.,

Chartered Accountants

FRN: 008763S

M Ranga Rai Chowdary

Partner

M. No: 243733

UDIN: 26243733LMDPXT1664

Place: Hyderabad

Date: 30-05-2026.

ANNEXURE-A

TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph (1) under the heading “**Report on other Legal and Regulatory Requirements**” of our report of even date on the financial statements for the year ended 31st March, 2026 of **DIGILOGIC SYSTEMS LIMITED**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. In respect of its Property, Plant and Equipment and Intangible Assets:
 - a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment;
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were identified during such verification.
 - c) Based on our examination the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
 - d) The company has not revalued any of its property, plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- ii. a) The Company has a program of physical verification of inventory so as to cover all the inventories once in a year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its inventories. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- b) The Company has been sanctioned working capital limits in excess of ₹5.00 crores in aggregate from banks or financial institutions during the year, secured against current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. In our opinion and according to the information and explanation given to us, the Company has not made any investments in or granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 accordingly the para 3 clause (iii) of the Order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable. During the year, no such loans were granted, investments made and guarantees, securities provided.
- v. In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public as mentioned in the directives issued by the Reserve Bank of India and as per the provisions of section 73 to 76 or any other provisions of the Companies Act, 2013 and the rules framed there under.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Service Tax, GST, Cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities and there are no outstanding statutory dues as at the last day of the reporting period concerned for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no cases where the statutory dues referred to in sub-clause (a) above, have not been deposited on account of any dispute as on the last day of the financial year and hence the clause vii(b) is not applicable.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Hence reporting under clause 3(ix) (a) of the Order is not applicable.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) Term loans were applied for the purpose for which the loans were obtained.
- d) Funds raised on short term basis have not been used for long term purposes.
- e) On an overall examination of the financial statements of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The company does not have any subsidiaries, joint ventures or associate companies. Hence reporting under clause (ix)(f) is not applicable.
- x. a) The company has raised funds to the extent of Rs.69.66crores by way of fresh issue in Initial Public offer (IPO) during the year and the moneys so raised were applied for the purposes for which those were raised to the extent of Rs.17.49crores and the balance amount is held by the company in the form of temporary fixed deposits; Escrow Current Account and Fund Monitoring Accounts as on 31.03.2026.
- b) During the reporting period, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the period.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the period and up to the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the period (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, and according to the information and explanations given to us and based on our audit procedures, the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and Section 188 of the Companies Act, 2013, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) During the year, the Company has appointed an independent Audit firm for conducting quarterly internal audit, and the same commensurate with the size and the nature of its business.
- (b) We have considered the reports of the internal auditors for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion, during the period, the Company has not entered into any non-cash transactions with the Directors or persons connected with directors. Hence provisions of section 192 of the Companies Act 2013 are not applicable to the Company.
- xvi. a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.
- d) The company is not part of any group as defined therein the regulations made by the Reserve Bank of India.
- xvii. The Company has not incurred cash losses during the period covered by our audit and its immediately preceding financial year.

- xviii. There has been no resignation of the statutory auditors of the Company during the period.
- 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 and our knowledge of the board of Directors' and Management's 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 the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within 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 balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a. Based on our examination of the records of the company and information and explanations provided to us, the provisions of section 135 of the Companies Act, 2013 are applicable to the company. The Company has complied with the provisions of Section 135 and the applicable rules made thereunder relating to Corporate Social Responsibility (CSR) for the Financial Year

2025-26. During the year, the Company has undertaken eligible CSR activities in accordance with its CSR Policy and the provisions of the Act. There is no unspent amount arising out of CSR obligations for the FY 2025-26 requiring transfer to a fund specified under Schedule VII of the Act within a period of 6 months from the end of the financial year in accordance with Section 135(5) of the Act.

- b. There is no unspent amount under section 135(5) of the Companies Act, 2013, pursuant to any ongoing project, that needs to be transferred to special account in compliance with the provision of Section 135(6) of the Act.
- xxi. The company does not have any subsidiary companies. Hence reporting under 3(xxi) is not applicable.

For B. Srinivasa Rao & Co.,

Chartered Accountants
FRN: 008763S

M Ranga Rai Chowdary

Partner
M. No: 243733
UDIN: 26243733LMDPXT1664

Place: Hyderabad
Date: 30-05-2026

ANNEXURE B

TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls 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 DIGILOGIC SYSTEMS LIMITED ("the Company") as of 31 March, 2026, in conjunction with our audit of the financial statements of the Company for the period 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. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 were established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 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.

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 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 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 31st March 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 B. Srinivasa Rao & Co.,

Chartered Accountants
FRN: 008763S

M Ranga Rai Chowdary

Partner
M. No: 243733
UDIN: 26243733LMDPXT1664

Place: Hyderabad
Date: 30-05-2026

BALANCE SHEET

(₹ Lakhs)

Particulars	Annexure	As At 31-03-2026	As At 31-03-2025
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	A.1	579.02	445.05
(b) Reserves and surplus	A.2	10229.72	2872.12
Sub-Total (A)		10808.74	3317.18
(2) Non-current liabilities			
(a) Long-term borrowings	A.3	255.30	255.99
(b) Long-term provisions		-	-
Sub-Total (B)		255.30	255.99
(3) Current liabilities			
(a) Short-term borrowings	A.4	150.89	1078.15
(b) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	A.5	28.21	183.01
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises	A.5	1681.26	1782.62
(c) Other current liabilities	A.6	385.40	330.92
(d) Short-term provisions	A.7	355.07	279.82
Sub-Total (C)		2600.84	3654.51
Total EQUITY and LIABILITIES (A+B+C)		13664.89	7227.68
II. Assets			
(1) Non-current assets			
(a) Property, plant and equipment and Intangible assets			
(i) Property, plant and equipment	A.8	865.18	879.40
(ii) Intangible assets	A.8	17.89	14.68
(iii) Capital work-in-progress	A.9	444.66	10.84
(iv) Intangible assets under development		-	-
(b) Deferred tax assets (net)	A.10	66.84	45.92
(c) Long-term loans and advances	A.11	1243.28	326.55
(d) Other non-current assets	A.12	2037.60	100.97
Sub-Total (D)		4675.46	1378.36
(2) Current assets			
(a) Inventories	A.13	771.95	1061.41
(b) Trade receivables	A.14	4297.76	4366.77
(c) Cash and Bank Balances	A.15	3415.88	125.52
(d) Short-term loans and advances	A.16	131.80	37.49
(e) Other current assets	A.17	372.04	258.13
Sub-Total (E)		8989.43	5849.32
Total ASSETS (D+E)		13664.89	7227.68

Significant accounting policies

Annexure-D

Significant accounting policies and Annexures referred to above form an integral part of the Financial Statements.

As per our report of even date

For B Srinivasa Rao & Co.,

Chartered Accountants

ICAI F.R.No. 008763S

M. Ranga Rai Chowdary

Partner

M.No.: 243733

For & On Behalf of the Board

DIGILOGIC SYSTEMS LIMITED**Madhusudhan Varma Jetty**

Chairman & Managing Director

DIN : 02247769

Shashank Varma Jetty

CEO & Whole Time Director

DIN : 03370303

Kameswara Rao Vempati

Company Secretary

M. No.: A60095

Radhika Varma Jetty

Whole Time Director

DIN : 03370284

Sri Harsha Vadakattu

Chief Financial Officer

PAN: *****6452H

Place: Hyderabad

Date: 30-05-2026

Place: Hyderabad

Date: 30-05-2026

Place: Hyderabad

Date: 30-05-2026

STATEMENT OF PROFIT AND LOSS

(₹ Lakhs)

Particulars	Annexure	For the year ending 31-03-2026	For the year ending 31-03-2025
I Revenue from operations	B.1	7743.14	7205.98
II Other income	B.2	83.77	13.35
III Total Income (I+II)		7826.91	7219.33
IV Expenses:			
(a) Cost of materials consumed	B.3	4073.94	5091.41
(b) Purchase of Stock in Trade		-	-
(c) Changes in inventories of finished goods, WIP and stock-in-trade	B.4	565.90	(569.71)
(d) Employee benefits expenses	B.5	1045.01	840.25
(e) Finance costs	B.6	140.03	143.41
(f) Depreciation and amortisation expenses	B.7	181.20	170.59
(g) Other expenses	B.8	476.18	494.24
Total expenses		6482.26	6170.19
V Profit before exceptional and extraordinary items and tax (III – IV)		1344.65	1049.13
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V – VI)		1344.65	1049.13
VIII Prior Period Items		(31.07)	(3.82)
IX Extraordinary Items		-	-
X Profit before tax (VII- (VIII+IX))		1375.72	1052.95
XI Tax expense:			
(1) Current tax		352.53	277.82
(2) Deferred tax	A.8.1	(20.17)	(11.81)
(3) Prior Period Taxes		0.40	7.60
XII Profit / (Loss) for the period from continuing operations (X-XI)		1042.97	779.34
XIII Profit / (Loss) from discontinuing operations		-	-
XIV Tax expense of discontinuing operation		-	-
XV Profit/(loss) from Discontinuing operations (after tax) (XIII-XIV)		-	-
XVI Profit for the period (XII + XV)		1042.97	779.34
XVII Earnings per equity share:			
Face value per equity shares ₹2/- fully paid up.			
(1) Basic (Value in ₹)	B.9	4.45	3.74
(2) Diluted (Value in ₹)	B.9	4.45	3.74

Significant accounting policies

Annexure-D

Significant accounting policies and Annexures referred to above form an integral part of the Financial Statements.

As per our report of even date

For B Srinivasa Rao & Co.,

Chartered Accountants

ICAI F.R.No. 008763S

M. Ranga Rai Chowdary

Partner

M.No.: 243733

For & On Behalf of the Board

DIGILOGIC SYSTEMS LIMITED

Madhusudhan Varma Jetty

Chairman & Managing Director

DIN : 02247769

Shashank Varma Jetty

CEO & Whole Time Director

DIN : 03370303

Kameswara Rao Vempati

Company Secretary

M. No.: A60095

Radhika Varma Jetty

Whole Time Director

DIN : 03370284

Sri Harsha Vadakattu

Chief Financial Officer

PAN: *****6452H

Place: Hyderabad
Date: 30-05-2026

Place: Hyderabad
Date: 30-05-2026

Place: Hyderabad
Date: 30-05-2026

CASH FLOW STATEMENT

(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	1344.65	1049.13
Adjustments for:		
Depreciation and amortisation expense	181.20	170.59
Profit on sale of Property, Plant and Equipment	(12.50)	(0.13)
Interest on Fixed Deposits	(65.60)	(12.75)
Rental Income	(1.44)	-
Interest and other finance costs <i>(Other than Interest on Income Tax)</i>	122.86	137.51
Unrealised loss on foreign exchange	-	0.09
Interest on Income tax	17.17	5.90
Gratuity Expense	5.52	38.04
Gratuity paid	(12.82)	(36.34)
Operating profit before working capital changes	1579.03	1352.05
Changes in working capital:		
Increase / (Decrease) in trade payable	(256.16)	807.30
Increase / (Decrease) in short term provisions <i>(Other than Provision for Income tax and Provision for Gratuity)</i>	0.54	0.50
Increase / (Decrease) in other current liabilities	54.49	186.41
<i>(Increase) / Decrease in other current assets (Other than Balances with Income Tax Authorities)</i>	(111.09)	70.63
<i>(Increase) / Decrease in short term loan and advances</i>	(94.31)	25.88
<i>(Increase) / Decrease in trade receivables</i>	69.01	(2405.84)
<i>(Increase) / Decrease in inventories</i>	289.46	(799.31)
Net (Increase) / Decrease in Working Capital	(48.07)	(2114.44)
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	1530.96	(762.39)
Adjustment for Net Income Tax paid	(267.87)	(289.07)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	1263.09	(1051.46)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment & Intangible Assets	(212.01)	(220.76)
Sale proceeds/Decrease of Property, Plant and Equipment	54.32	26.91
Capital Advance paid	(916.73)	(250.65)
Interest Income received	65.60	12.75
Rental Income received	1.44	-
Security Deposits given	-	(0.36)
<i>(Increase) / Decrease in Capital Work In Progress (Other than capitalised finance costs)</i>	(373.96)	-
<i>(Increase) / Decrease in Term Deposits with Banks</i>	(5185.24)	(82.96)
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(6566.57)	(515.07)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and other finance costs <i>(including capitalised costs)</i>	(182.73)	(146.93)
Proceeds from Long Term Borrowings	955.61	172.52
Proceeds from Short Term Borrowings	125.00	717.99
Repayments of Long Term Borrowings	(968.03)	(264.31)
Repayments of Short Term Borrowings	(1040.52)	(100.00)
Proceeds from issue of Equity Shares <i>(including Securities Premium)</i>	6966.34	1186.21
Adjustments made to Securities Premium for issue of Equity Shares <i>(IPO Expenses)</i>	(517.74)	-
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	5337.93	1565.48
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	34.45	(1.06)
Cash and Cash equivalents at beginning of the period	0.95	2.00
Cash and Cash equivalents at end of the period	35.39	0.95
D. Cash and Cash equivalents comprise of (Refer Annexure - A.15)		
Cash on hand	0.41	0.66
Balances with banks		
<i>In current accounts</i>	34.99	0.29
<i>Bank deposits with less than 3 Months maturity</i>	-	-
Total	35.39	0.95

This Cash Flow Statement has been prepared as per "Indirect Method" as prescribed by AS -3 (revised) "Cash Flow Statements"

As per our report of even date
For B Srinivasa Rao & Co.,
Chartered Accountants
ICAI F.R.No. 008763S

M. Ranga Rai Chowdary
Partner
M.No.: 243733

For & On Behalf of the Board
DIGILOGIC SYSTEMS LIMITED

Madhusudhan Varma Jetty
Chairman & Managing Director
DIN : 02247769

Shashank Varma Jetty
CEO & Whole Time Director
DIN : 03370303

Kameswara Rao Vempati
Company Secretary
M. No.: A60095

Radhika Varma Jetty
Whole Time Director
DIN : 03370284

Sri Harsha Vadakattu
Chief Financial Officer
PAN: *****6452H

Place: Hyderabad
Date: 30-05-2026

Place: Hyderabad
Date: 30-05-2026

Place: Hyderabad
Date: 30-05-2026

ANNEXURE - D: SIGNIFICANT ACCOUNTING POLICIES

A. CORPORATE INFORMATION:

Our company was originally formed as a Partnership firm in the name and style of **"M/S. DIGILOGIC SYSTEMS"** under the provisions of The Partnership Act 1932 vide FRN 1739 and partnership deed dated 8th of May 2007 and converted to a Private Limited Company in the name and style of **"DIGILOGIC SYSTEMS PRIVATE LIMITED"** under the provisions of the Companies Act 1956 on 9th December 2011 and received certificate of incorporation (CIN: U72200TG2011PTC077933) from the Registrar of Companies, Hyderabad to engage in the design, development, manufacture, assembly, integration, testing, servicing, overhaul, upgrade, import, export, and supply of systems, platforms, subsystems, and components including but not limited to Automated Test Equipment (ATE), Checkout Systems, RF Simulators, System Evaluators, System Engineering & Deployments, Data Acquisition Systems, Static Test Beds, Maintenance, Repair & Overhaul Services (MRO).

Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at an Extra-ordinary General Meeting held on June 18, 2025, and the name of Company was converted to **"DIGILOGIC STSTEMS LIMITED"** and a fresh certificate of incorporation (CIN: U62099TG2011PLC077933) consequent upon conversion dated July 1, 2025, was issued by the Central Processing Centre, Registrar of Companies.

B. Basis of preparation of financial statements

Financial statements are prepared under the historical cost convention, on accrual basis by using Going Concern assumptions of accounting in accordance with the accounting principles generally accepted in India and in compliance with the provisions of Companies Act 2013, and comply with the mandatory accounting standards specified under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and rules made thereunder as amended from time to time.

The financial statements of the company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) which comprises the Accounting Standards notified u/s 133 of the Companies Act, 2013. The accounting policies have been framed, keeping in view the fundamental accounting assumptions of Going Concern, Consistency and Accrual, as also basic considerations of Prudence, Substance over form, and Materiality. These have been applied consistently, except where a newly issued accounting standard is initially adopted or a revision in the existing accounting standards require a revision in the accounting policy so far in use. The need for such a revision is evaluated on an ongoing basis.

The Financial Statements have been prepared on a going concern basis, in as much as the management intends neither to liquidate the company nor to cease operations. Accordingly, assets, liabilities, income and expenses are recorded on a Going Concern basis. Based on the nature of products and services, and the time between the acquisition of assets and realization into cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purposes of current and non-current classification of assets and liabilities.

The financial statements of the Company are presented in Indian Rupees ("INR"), which is the Company's functional currency. In accordance with the option provided under Schedule III to the Companies Act, 2013, the figures for both the current and previous financial years have been rounded off to the nearest lakhs (₹00,000), except where otherwise stated.

C. Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that effect the reported balances of assets and liabilities as at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/ materialized.

D. CURRENT AND NON CURRENT CLASSIFICATION:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets. All other assets are classified as non-current

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date;
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

E. OPERATING CYCLE:

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period. Based on the nature of products and services, and the time between the acquisition of assets and their realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purposes of current and non-current classification of assets and liabilities.

F. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

1 Inventories

Inventories consist of Raw materials, Stores & spares; Work-in-Progress and finished goods. Raw materials; Stores & spares and Finished Goods are valued at the lower of Cost or Net realizable value, and the cost formula used for valuation is weighted average basis. Valuation of Work-in-Progress includes costs that are directly related to production such as labour costs, design & development costs and a systematic allocation of fixed, variable production overheads that are incurred in converting materials into finished goods.

2 Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits with banks and Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash which are subject to insignificant risk of changes in value.

3 Property, Plant & Equipment

- a. Property Plant & Equipment (PPE) are stated at cost, less accumulated depreciation and impairment losses if any. Costs comprise all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition / construction is included in the cost of fixed assets. Cost of Property plant & equipment are recognized only if it is probable that future economic benefits associated with the asset will flow to the entity and cost can be reliably measured.

Subsequent expenditures related to an item of property plant & equipment are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

- b. The expenditure incurred on property plant and equipment which are in the process of construction or completion such as construction of building, etc. that are not ready for intended use at the reporting date are presented as Capital Work in Progress (CWIP). Upon completion or commissioning of such assets and when they are ready to use, the total expenditure incurred for construction/completion is ceased to be classified under CWIP and sent to PPE.
- c. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in statement of profit and loss

4 Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised.

5 Impairment Loss

At each balance sheet date, the Company reviews the carrying amount of its Property, Plant & Equipment to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets

6 Depreciation / Amortisation

Depreciation on Property Plant & Equipment is charged so as to write-off the cost of the assets over its useful life and depreciation rates as per schedule II of the Companies Act 2013 using the WDV method of Depreciation. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be. In case of impairment, depreciation is provided on revised carrying amount over its remaining useful life. Amortisation of Intangible assets is calculated on Straight Line method based on estimated useful life.

Useful lives of the Property, Plant and Equipment estimated by the management are as follows:

Particulars	Estimated useful life (in years)
Buildings (Refer Note (a) below)	30
Plant & Machinery	15
Furniture & Fittings	10
Vehicles	8
Office Equipment	5
Software & Licenses	5
Computers & Data Processing Units	3

Note:

- (a) Buildings include certain amounts capitalised towards 'Interiors', for which the management has estimated a useful life of 10 years, as the cost of this component is significant in

relation to the total cost of the asset and its useful life differs from that of the remaining building structure, which is depreciated over 30 years.

- (b) Leasehold Improvements are depreciated over an estimated useful life of 3 years or actual lease term whichever is lower.
- (c) Software & Licenses include one endpoint security license which has a useful life of 3 years and is amortised on that basis

7 Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

8 Leases

Where the company is a lessee, Leases, where the lessor effectively retains substantially all the risks and the benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

9 Revenue Recognition

The company follows generally accepted accounting principles for recognizing revenue from operations i.e., on an accrual basis when it is earned and no significant uncertainty exists as to its ultimate collection

a. Sale of Products:

Revenue from products are recognized when the property in goods are transferred to the buyer i.e., when the significant risks and rewards of ownership have been transferred, continuing managerial involvement usually associated with

ownership and effective control have been ceased, the amount of revenue can be measured reliably, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

b. Sale of Services:

The Company recognizes revenue from sale of services when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. Revenue from maintenance contracts is recognized proportionately over the period of the contract using the proportionate completion method. In case the services are performed through an indeterminate number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period, viz., monthly / quarterly / half-yearly / yearly etc., as per the terms of the contracts agreed with respective customers from time to time. Revenues in excess of billing are recognised as "Unbilled revenues" wherever the recognition criteria is met as per the terms of contracts agreed with the customers.

Interest income is recognized on time proportion basis, when it is accrued and due for payment. The capital gains on sale of investment if any are recognized on completion of transaction. No notional profits/losses are recognized on such investments.

10 Employee Benefit Expenses

a. Short Term Employee Benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of Profit and loss for the year which includes benefits like salary, wages, bonus, other expenses incurred while rendering their services. These benefits are recognized as expenses in the period in which the employee renders the related service. These benefits include compensated absences such as paid annual leave and performance incentives.

b. Post Employment Benefits:

Retirement benefit in the form of provident fund and gratuity are defined contribution and defined benefit plans respectively. The Company recognizes contribution payable

to the provident fund scheme as an expenditure, when an employee renders the related service. The company identifies all of its permanent employees who are aged not less than 18 years and not more than 58 years as eligible employees for the payment of gratuity and has obliged to pay the gratuity benefit, upon termination, retirement or death of any such eligible employee, as per the applicable provisions of the Payment of Gratuity Act, 1972 and rules made thereunder amended from time to time. The company has obtained qualifying insurance policies with respect to meeting the gratuity claims of employees and recognizes the amount of provision required to be made towards Gratuity as an expenditure each year in the P&L as per the actuarial valuation reports received from the Independent Actuary. The net difference between the accrued provision is net off from the fair value of plan assets and the surplus/(deficit) if any is disclosed in the balance sheet of the company as the net asset or liability for the reporting period in accordance with AS-15.

11 Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at a closing rate on the date of the balance sheet.

Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss in the period in which they arise.

12 Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a 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 they occur.

13 Accounting for Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax

authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date

- a. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- b. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

14 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A Contingent liability is disclosed for:

- a. Possible obligation which will be confirmed only by future events not wholly within the control of the Company, or

- b. Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is neither recognized nor disclosed in the financial statements since this may result in the recognition of income that may never be realized.

15 Earnings Per Share

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potentially equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

16 Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature such as depreciation, provisions, and unrealized foreign exchange gains and losses, any deferrals

or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are presented, accordingly.

17 Segment Accounting

- a. The business segment has been considered as the primary segment
- b. The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

- c. The Company's primary business includes design, development, fabrication and supply of software-based automated test equipment. This is the only segment as envisaged in Accounting Standard 17: 'Segment Reporting' therefore disclosure for Segment reporting is not applicable.

18 Events occurring after the Balance Sheet Date

Material events occurring after the balance sheet are considered up to the date of approval of the accounts by the board of directors.

G. Changes in Accounting policies in the Financial Years covered in the Financial Statements:

There have been no changes in the accounting policies of the company for the years covered in the financial statements.

As per our report of even date
For B Srinivasa Rao & Co.,
 Chartered Accountants
 ICAI F.R.No. 008763S

M. Ranga Rai Chowdary
 Partner
 M.No.: 243733

Place: Hyderabad
 Date: 30-05-2026

For & On Behalf of the Board
DIGILOGIC SYSTEMS LIMITED

Madhusudhan Varma Jetty
 Chairman & Managing Director
 DIN : 02247769

Shashank Varma Jetty
 CEO & Whole Time Director
 DIN : 03370303

Kameswara Rao Vempati
 Company Secretary
 M. No.: A60095

Place: Hyderabad
 Date: 30-05-2026

Radhika Varma Jetty
 Whole Time Director
 DIN : 03370284

Sri Harsha Vadakattu
 Chief Financial Officer
 PAN: *****6452H

Place: Hyderabad
 Date: 30-05-2026

ANNEXURE - A.1 : Share Capital

(₹ Lakhs)

	As At 31-03-2026	As At 31-03-2025
SHARE CAPITAL:		
Authorized Share Capital:		
5,00,00,000 Equity shares of ₹ 2/- each	1000.00	600.00
(For FY 2024-25, 60,00,000 Equity shares of ₹10/- each)		
Issued, Subscribed and Fully Paid-up Share Capital:		
2,89,51,030 Equity shares of ₹ 2/- each	579.02	445.05
(For FY 2024-25, 44,50,526 Equity shares of ₹10/- each)		
Total paid-up share capital	579.02	445.05

A.1.1 Reconciliation of number of shares

	As At 31-03-2026		As At 31-03-2025	
	No. of Shares	(₹ Lakhs)	No. of Shares*	(₹ Lakhs)
Equity shares				
Opening balance*	44,50,526	445.05	20,00,000	200.00
Changes during the year (refer Note.11 & 12 in A.1.5 below)	2,45,00,504	133.97	24,50,526	245.05
Closing balance	2,89,51,030	579.02	44,50,526	445.05

* No. of shares as at 31.03.2025 are disclosed as @ ₹10 each

A.1.2 Details of Shareholding more than 5% of the aggregate shares in the company

	As At 31-03-2026		As At 31-03-2025	
Name of the Shareholder	No. of Shares	% of total shareholding	No. of Shares*	% of total shareholding
Madhusudhan Varma Jetty	1,24,25,400	42.92%	27,03,000	60.73%
Radhika Varma Jetty	60,77,500	20.99%	6,80,000	15.28%
Shashank Varma Jetty	50,000	0.17%	3,00,000	6.74%
Negen Undiscovered Value Fund	34,84,715	12.04%	2,85,103	6.41%
Hitesh Varma Jetty	50,000	0.17%	2,85,000	6.40%
	2,20,87,615	76.29%	42,53,103	95.56%

* Number of shares as at 31.03.2025 are disclosed as @ ₹10 each

A.1.3 Shares held by Promoters

As At 31-03-2026

Sr No.	Promoter's Name	No. of shares	% of total shares
1	Madhusudhan Varma Jetty	1,24,25,400	42.92%
2	Radhika Varma Jetty	60,77,500	20.99%
3	Shashank Varma Jetty	50,000	0.17%
4	Hitesh Varma Jetty	50,000	0.17%

As at 31-03-2025

Sr No.	Promoter's Name	No. of shares*	% of total shares
1	Madhusudhan Varma Jetty	27,03,000	60.73%
2	Radhika Varma Jetty	6,80,000	15.28%
3	Shashank Varma Jetty	3,00,000	6.74%
4	Hitesh Varma Jetty	2,85,000	6.40%

* No. of shares as at 31.03.2025 are disclosed as @ ₹10 each

A.1.4 Terms/rights attached to equity shares:

- The company has only one class of shares referred to as equity shares having a par value of ₹ 2/- as at 31st March, 2026.
- Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

A.1.5 Other disclosures relating to Share Capital

- The company does not have any holding and subsidiary companies and hence the disclosure relating to shares held by any holding company or ultimate holding company or subsidiaries or associate companies is not applicable
- The company does not have any shares reserved for issue under options and contracts/commitments for the sale of shares / disinvestment as at the end of each financial year for the reporting periods
- The company does not have any securities convertible into equity / preference shares issued as at the end of each financial year for the reporting periods
- There are no calls unpaid by the Directors or officers of the company.
- The company does not have any forfeited shares as at the end of each financial year for the reporting periods
- For a period of 5 years immediately preceding the dates as at which this balance sheet is prepared:
 - The company does not have any class of shares allotted as fully paid up pursuant to a contract without payment being received in cash
 - The company does not have any class of shares allotted as fully paid up by way of bonus shares except the 20,00,000 bonus shares allotted in the ratio of 1:1 vide Members' resolution dated 07.09.2024 (1 Equity share for every 1 Equity share held by each shareholder)
 - The company has not bought back any class of shares.

- The Authorised share capital of the company has been increased from ₹2,00,00,000/- divided into 20,00,000 equity shares of ₹10 each to ₹6,00,00,000/- divided into 60,00,000 equity shares of ₹10 each vide the Extraordinary General Meeting held on 13.08.2024 and subsequently increased to ₹10,00,00,000/- divided into 1,00,00,000 equity shares of ₹10 each vide the Extraordinary General Meeting held on 18.06.2025.
- The company has made a private placement of equity shares of 2,55,319 equity shares of face value of ₹10 each fully paid up at face value of ₹10 each and Securities Premium of ₹230 each vide special resolution passed in the shareholders meeting held on 22.09.2024.
- The company has made a private placement of equity shares of 1,70,207 equity shares of face value of ₹10 each fully paid up at face value of ₹10 each and Securities Premium of ₹283.76 each vide special resolution passed in the shareholders meeting held on 31.12.2024
- The company has made a private placement of equity shares of 25,000 equity shares of face value of ₹10 each fully paid up at face value of ₹10 each and Securities Premium of ₹283.76 each vide special resolution passed in the shareholders meeting held on 12.02.2025
- The Company has sub-divided its equity shares from a face value of ₹10 each to ₹2 each, pursuant to the approval of the shareholders vide ordinary resolution dated 25.07.2025. Subsequent to the share split, the revised Authorised share capital of the company is ₹10,00,00,000/- divided into 5,00,00,000 shares of ₹2 face value each and Paid-up capital of the company is ₹4,45,05,260/- divided into 2,22,52,630 shares of ₹2 face value each. In order to comply with the provisions of AS-20 (Earnings Per Share), the Basic and Diluted Earnings Per Share are calculated after considering the Share split effect for the FY 2024-25.
- The company has made an allotment of 66,98,400 fresh equity shares of face value of ₹2 each, fully paid up at face value of ₹2 each and securities premium of ₹102 each through Initial Public Offer, vide the basis of allotment approved as per the Board resolution dated 23.01.2026.

ANNEXURE – A.2 Reserves and Surplus
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Securities Premium		
Opening balance	1141.15	-
Add:- Additions during the year	6832.37	1141.15
Less:- Adjustments during the year for IPO Expenses	(517.74)	-
Closing balance	7455.79	1141.15
Surplus in the Profit and Loss account		
Opening balance	1730.97	1151.63
Add:- Additions during the year	1042.97	779.34
Less:- Bonus shares issued during the year	-	200.00
Closing balance	2773.94	1730.97
Total	10229.72	2872.12

ANNEXURE – A.3 : Long Term Borrowings
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Term loans		
from banks		
- secured	308.80	321.22
- unsecured	-	-
Total	308.80	321.22
Less: Current Maturities of Long Term Borrowings	53.50	65.24
Total	255.30	255.99

*Refer Annexure - A.3.1 for nature of security, terms of repayment and guarantee details

ANNEXURE – A.4 : Short Term Borrowings
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Loans repayable on demand from banks		
- secured	97.39	1012.91
- unsecured	-	-
Loans and advances from related parties		
- secured	-	-
- unsecured	-	-
Current Maturities of Long Term Debt (Refer Annexure - A.3)	53.50	65.24
Total	150.89	1078.15

*Refer Annexure - A.3.1 for nature of security, terms of repayment and guarantee details

ANNEXURE – A.5 : Trade Payables
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Total outstanding dues of micro enterprises and small enterprises	28.21	183.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	1681.26	1782.62
Total	1709.47	1965.63

SUB ANNEXURE – A.5.1 : Ageing of Trade Payables

Particulars		As At 31-03-2026						(₹ Lakhs)
		Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	-	-	26.03	2.18	-	-	28.21
(ii)	Others	-	-	1680.80	0.46	-	-	1681.26
(iii)	Disputed dues- MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
TOTAL		-	-	1706.83	2.65	-	-	1709.47

Particulars		As At 31-03-2025						(₹ Lakhs)
		Unbilled	Not Due	Outstanding for following periods from due date of payment				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	183.01	-	-	-	183.01
(ii)	Others	-	-	1782.53	0.10	-	-	1782.62
(iii)	Disputed dues- MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
TOTAL		-	-	1965.53	0.10	-	-	1965.63

SUB ANNEXURE – A.5.2 : Other disclosures relating to dues to Vendors registered under the MSMED Act, 2006 by virtue of MCA Notification dated 04.09.2015

Particulars	(₹ Lakhs)	
	As At 31-03-2026	As At 31-03-2025
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year	28.21	183.01
(b) The amount of the interest paid by the buyer under the MSMED Act, 2006 along with the amounts of payments made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of the interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(d) The amount of interest accrued and unpaid at the end of the accounting year	-	-
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-
Total	28.21	183.01

ANNEXURE – A.6 : Other Current Liabilities
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Interest accrued but not due on borrowings	0.95	1.50
Advances received from customers	10.19	-
Other Payables		
Statutory Dues Payable	270.56	207.86
Salaries and Bonus Payable	26.05	100.90
Other Current Liabilities	43.59	19.71
Gratuity Payable	16.82	-
OFS proceeds payable	16.28	-
Sales commission payable	0.95	0.95
Total	385.40	330.92

ANNEXURE – A.7 : Short Term Provisions
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Provision for Income Tax	352.53	277.82
Provision for Audit Fee	2.00	2.00
Provision for Expenses	0.54	-
Total	355.07	279.82

ANNEXURE – A.3.1 : STATEMENT OF PRINCIPAL TERMS OF SECURED BORROWINGS

Name of the Lender	Purpose	Sanctioned Amount (₹ in Lakhs)	Rate of Interest (Per Annum)	Re-Payment Schedule	Date of sanction / Agreement / latest renewal	Moratorium	Outstanding amount as on 31-03-2026 (₹ Lakhs)		Outstanding amount as on 31-03-2025 (₹ Lakhs)	
							Non Current	Current	Non Current	Current
Axis Bank	Purchase of Toyota Lexus Car	67.45	7.25%	To be repaid in 84 Equated monthly installments with first EMI due on 10.12.2021	26-11-2021	--	#REF!	10.52	#REF!	9.79
Axis Bank	Purchase of Under Construction Residential property for Guest House	210.00	REPO + 2.5%	To be repaid in 180 Equated monthly installments of ₹2,12,996/- along with 3 months Pre EMI	05-01-2024	--	141.98	7.28	131.18	5.14
Axis Bank	Purchase of Hyundai Tucson Car	37.00	8.80%	To be repaid in 60 Equated monthly installments with first EMI due on 05.01.2024	16-12-2023	--	14.71	7.52	22.23	6.89
Axis Bank	Purchase of BMW Car	85.42	8.90%	To be repaid in 60 Equated monthly installments with first EMI due on 05.05.2024	16-04-2024	--	-	-	56.78	15.42
Axis Bank	To meet liquidity mismatch arising out of Covid-19 under ECLGS 1.0 Extension scheme	42.00	REPO + 2.75%	Interest to be served monthly as and when charged. Principal to be repaid from 3rd year to 5th year in 35 monthly installments of ₹2,33,334/- each	30-05-2025	2 years for principal repayment	-	16.33	16.33	28.00
Axis Bank	Cash Credit - To meet working capital requirements	1500.00	REPO + 2.75%	On demand	30-05-2025	--	-	97.39	-	1012.91
Indian Bank	Establishment of New Factory	2788.00	REPO + 3.40%	Interest to be served monthly as and when charged. Principal to be repaid in 87 equal monthly installments of ₹32,04,598/- each from 34th month of first disbursement.	19-06-2025	33 months for principal repayment	-	-	-	-

Name of the Lender	Purpose	Sanctioned Amount (₹ in Lakhs)	Rate of Interest (Per Annum)	Re-Payment Schedule	Date of sanction / Agreement / latest renewal	Moratorium	Outstanding amount as on 31-03-2026 (₹ Lakhs)		Outstanding amount as on 31-03-2025 (₹ Lakhs)	
							Non Current	Current	Non Current	Current
Indian Bank	Purchase of Plant & Machinery	1212.00	REPO + 3.40%	Interest to be served monthly as and when charged. Principal to be repaid in 87 equal monthly installments of ₹13,93,104/- each from 34th month of first disbursement.	19-06-2025	33 months for principal repayment	-	-	-	-
Indian Bank	Purchase of BMW Car	100.00	REPO + 2.30%	To be repaid in 84 Equated monthly installments with first EMI due on 07.07.2025	26-06-2025	--	79.68	11.85	-	-
Total		6041.87					255.30	150.89	255.99	1078.15

Note: There has been no continuing default in repayment of any of the above loans or interest thereon as on the balance sheet date of each of the respective years

ANNEXURE – A.3.1 : STATEMENT OF PRINCIPAL TERMS OF SECURED BORROWINGS (CONTINUED)

Name of the Lender	Purpose	Sanctioned Amount (₹ in Lakhs)	Securities offered	Guarantee given if any
Axis Bank	Purchase of Toyota Lexus Car	67.45	Hypothecation of Lexus Car purchased out of loan proceeds	--
Axis Bank	Purchase of Under Construction Residential property for Guest House	210.00	Mortgage of the property proposed to be purchased out of loan proceeds	<i>Personal Guarantee of</i> J Madhusudhan Varma (Director) J Radhika Varma (Director) J Shashank Varma (Director)
Axis Bank	Purchase of Hyundai Tucson Car	37.00	Hypothecation of Tucson car purchased out of loan proceeds	--
Axis Bank	Purchase of BMW Car	85.42	Hypothecation of BMW car purchased out of loan proceeds	--
Axis Bank	To meet liquidity mismatch arising out of Covid-19 under ECLGS 1.0 Extension scheme	42.00		100% Guarantee from NCGTC (National Credit Guarantee Trustee Company Ltd.)
Axis Bank	Cash Credit - To meet working capital requirements	1500.00	- Hypothecation of entire current assets and entire movable fixed assets both present and future on exclusive basis - EM of Plot no.234,235&236 in "Sark Green Plains" at Sy.No.3/part, 4/part, 5/part, 6/part & 7/part situated at Almasguda (V), Mankhal (GP), Maheshwaram mandal, RR district standing in the name of M/s. Digilogic Systems Ltd. - EM of Office unit at 101/E, "DSL Abacus", Sy.No.581,581/1,581/2,582 & 583 situated at Uppal Kalsa village, Uppal Mandal, Medchal - Malkajgiri District in the name of M/s. Digilogic Systems Ltd. - EM of Commercial office space at 102, "DSL Abacus" Sy.No.581, 581/1, 581/2, 582 & 583 situated at Uppal Kalsa village, Uppal Mandal, Medchal - Malkajgiri District in the name of M/s. Digilogic Systems Ltd.	<i>Personal Guarantee of</i> J Madhusudhan Varma (Director) J Radhika Varma (Director) J Shashank Varma (Director) J Hitesh Varma (Director)

Name of the Lender	Purpose	Sanctioned Amount (₹ in Lakhs)	Securities offered	Guarantee given if any
Indian Bank	Establishment of New Factory	2788.00	1. Mortgage of New Factory land and building proposed to be established 2. Equitable Mortgage of Residential plot no.298 & 299 in Sy.No.212/12 of No.22 in Gajalakshmi Green City at Daminedu Village, Tirupati Rural mandal, Chittoor District in the name of Mr. J Madhusudhan Varma 3. EM of Immovable property situated at flat no.404, Legend Towers in premises no.1-11-252/19/A, 1-11-252/19/19, Mothilal Nagar, Begumpet, Hyderabad in the joint name of Mr. J Madhusudhan Varma and Mrs. J Radhika Varma 4. EM of Commercial office space at 1001 in 10th floor, "DSL Abacus" Sy.No.581, 581/1, 581/2, 582 & 583 situated at Uppal Kalsa village, Uppal Mandal, Medchal - Malkajgiri District in the name of Mrs. Radhika Varma Jetty & Mr. Madhusudhan Varma Jetty. 5. EM on Plot No 394 in Sy.No. 318, 318/Ee in Metro City situated at Nandigama Village, Kothur Mandal, Ranga Reddy owned by Mr. Madhusudhan Varma Jetty. 6. EM of Residential plot no.75 & 76 in Sy.No.2/1,3,4/1,4/2,5,6,&7 situated at Icon's Isle at Papaiah Kumudan revenue village, Jalpally Gram Panchayat, Saroor Nagar mandal, Rangareddy district in the name of Mr. J Madhusudhan Varma 7. EM of Residential flat no.803 in D block of "Necklace Pride" in Sy.No.33 to 39, 85/1, Kavadiguda, Secunderabad in the joint name of Mr. J Madhusudhan Varma and Mrs. J Radhika Varma. 8. EM of Residential plot no.320 in Sy.No.246 situated at Bahadurpally village, Quthubullapur mandal in the name of Mr. J Madhusudhan Varma.	Personal Guarantee of J Madhusudhan Varma (Director) J Radhika Varma (Director) J Shashank Varma (Director) J Hitesh Varma (Director)

Name of the Lender	Purpose	Sanctioned Amount (₹ in Lakhs)	Securities offered	Guarantee given if any
Indian Bank	Purchase of Plant & Machinery	1212.00	- Hypothecation of Plant & Machinery proposed to be purchased out of loan proceeds. - Equitable Mortgage of Residential plot no.298 & 299 in Sy.No.212/12 of No.22 in Gajalakshmi Green City at Daminedu Village, Tirupati Rural mandal, Chittoor District in the name of Mr. J Madhusudhan Varma - EM of Immovable property situated at flat no.404, Legend Towers in premises no.1-11-252/19/A, 1-11-252/19/19, Mothilal Nagar, Begumpet, Hyderabad in the joint name of Mr. J Madhusudhan Varma and Mrs. J Radhika Varma - EM of Commercial office space at 1001 in 10th floor, "DSL Abacus" Sy.No.581, 581/1, 581/2, 582 & 583 situated at Uppal Kalsa village, Uppal Mandal, Medchal - Malkajgiri District in the name of Mrs. Radhika Varma Jetty & Mr. Madhusudhan Varma Jetty. - EM on Plot No 394 in Sy.No. 318, 318/Ee in Metro City situated at Nandigama Village, Kothur Mandal, Ranga Reddy owned by Mr. Madhusudhan Varma Jetty. - EM of Residential plot no.75 & 76 in Sy.No.2/1,3,4/1,4/2,5,6,&7 situated at Icon's Isle at Papaiah Kumudan revenue village, Jalpally Gram Panchayat, Saroor Nagar mandal, Rangareddy district in the name of Mr. J Madhusudhan Varma - EM of Residential flat no.803 in D block of "Necklace Pride" in Sy.No.33 to 39, 85/1, Kavadiguda, Secunderabad in the joint name of Mr. J Madhusudhan Varma and Mrs. J Radhika Varma. - EM of Residential plot no.320 in Sy.No.246 situated at Bahadurpally village, Quthubullapur mandal in the name of Mr. J Madhusudhan Varma.	Personal Guarantee of J Madhusudhan Varma (Director) J Radhika Varma (Director) J Shashank Varma (Director) J Hitesh Varma (Director)
Indian Bank	Purchase of BMW Car	100.00	Hypothecation of BMW car purchased out of loan proceeds.	Personal Guarantee of J Madhusudhan Varma (Director) J Shashank Varma (Director)
TOTAL		6041.87		

ANNEXURE – A.8 : Property, Plant & Equipment and Intangible Assets
(As per the Companies Act, 2013)

Details of Assets	Gross Block			Accumulated Depreciation			Net Block	
	As At 31-03-2025	Additions	Deductions	As At 31-03-2026	As At 31-03-2025	For the year ending 31-03-2026	As At 31-03-2026	As At 31-03-2025
Property, Plant & Equipment								
Land	133.41	-	-	133.41	-	-	133.41	133.41
Buildings	1003.55	18.24	-	1021.78	418.26	75.29	493.55	528.23
Leasehold Improvements	11.74	-	-	11.74	4.58	4.93	9.51	2.23
Plant & Machinery	48.36	0.21	0.57	48.00	32.64	3.32	35.96	12.05
Furniture & Fittings	64.52	33.70	-	98.22	52.40	6.78	59.17	39.05
Vehicles	204.81	131.39	88.02	248.18	111.38	63.39	128.00	120.17
Office equipment	61.41	1.81	-	63.22	51.66	4.84	56.50	6.72
Computers and data processing units	70.00	17.94	-	87.94	47.49	17.14	64.63	23.31
	1597.80	203.28	88.58	1712.50	718.40	175.69	847.32	865.18
Intangible Assets								
Software & Licenses	15.64	8.72	-	24.36	0.95	5.51	6.47	17.89
	15.64	8.72	-	24.36	0.95	5.51	6.47	17.89
Total	1613.44	212.01	88.58	1736.86	719.35	181.20	853.78	883.07
Figures of previous year	1454.92	220.76	62.25	1613.44	584.23	170.59	719.35	870.70

(₹ Lakhs)

Sub Annexure -A 8.1 Statement showing Deferred Tax Calculation

Particulars	As At 31-03-2026	As At 31-03-2025
	(₹ Lakhs)	(₹ Lakhs)
Opening Deferred Tax Asset	46.46	35.08
Written down Value of assets as per Companies Act	883.07	894.09
Less: Written down value of assets as per IT Act	1145.40	1078.68
Timing difference	(262.33)	(184.59)
Deferred Tax Asset / (Liability) For Current Year @ 25.168%	66.02	46.46
Deferred Tax Asset debited/(credited) to Statement of Profit & Loss (A)	(19.57)	(11.38)
Opening Deferred Tax Asset / (Liability)	(0.54)	-
Add: Prior Period Adjustment on account of change in Gratuity estimate	0.75	(0.97)
Gratuity Expense as per Books	5.52	38.04
Less: Gratuity Expense as per Income Tax Act	3.11	36.34
Timing difference	2.40	1.70
Deferred Tax Asset / (Liability) credited to Statement of Profit & Loss for the year @ 25.168% (B)	0.61	(0.43)
Deferred Tax Asset / (Liability) for current year	0.82	(0.54)
Net Deferred Tax Asset / Liability debited to Statement of Profit & Loss (A+B)	(20.17)	(11.81)

ANNEXURE – A.9 : Capital Work In Progress

(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Capital Work In Progress	444.66	10.84
Total	444.66	10.84

ANNEXURE – A.10 : Deferred Tax Asset (Net)

(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Deferred Tax Asset	66.84	46.46
Deferred Tax (Liability)	-	(0.54)
Net Deferred Tax Asset/(Liability)	66.84	45.92

ANNEXURE – A.11 : Long -Term Loans and Advances

(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Capital Advances	1243.28	326.55
Other loans and advances	-	-
Total	1243.28	326.55
The above amount includes:		
Secured, considered good	-	-
Unsecured, considered good	1243.28	326.55
Doubtful	-	-
Total	1243.28	326.55

ANNEXURE – A.12 : Other Non-Current Assets
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Security Deposits	5.86	5.86
Defined Benefit Plan Assets	9.46	2.15
Bank deposits with more than 12 months maturity (Refer Annexure - A.15)	1994.00	-
Bank balances to the extent held as margin money or security against borrowings, guarantees with more than 12 months maturity (Refer Annexure - A.15)	28.28	92.95
Total	2037.60	100.97
The above amount includes:		
Secured, considered good	-	-
Unsecured, considered good	2037.60	100.97
Doubtful	-	-
Total	2037.60	100.97

ANNEXURE – A.13 : Inventories
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Raw materials (including stores and spares)	545.08	268.64
Work-in-progress	226.87	792.77
Finished goods	-	-
Stock-in-trade	-	-
Total	771.95	1061.41

* Raw Materials; Stores & Spares; Finished Goods and Stock-in-Trade are valued at Cost or NRV whichever is lower. Work in Progress is valued at Cost

ANNEXURE – A.14 : Trade Receivables
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies	-	-
From Others (Unsecured, considered good)	4297.76	4366.77
Total	4297.76	4366.77

SUB -ANNEXURE – A.14.1 Trade Receivables ageing schedule

		As At 31-03-2026							(₹ Lakhs)
Particulars		Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
				<6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables -considered good	-	-	4066.42	-	231.34	-	-	4297.76
(ii)	Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-	-	-
(iii)	Disputed trade receivables considered good	-	-	-	-	-	-	-	-
(iv)	Disputed trade receivables considered doubtful	-	-	-	-	-	-	-	-
TOTAL		-	-	4066.42	-	231.34	-	-	4297.76

		As At 31-03-2025							(₹ Lakhs)
Particulars		Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
				<6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables -considered good	-	-	3487.67	879.10	-	-	-	4366.77
(ii)	Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-	-	-
(iii)	Disputed trade receivables considered good	-	-	-	-	-	-	-	-
(iv)	Disputed trade receivables considered doubtful	-	-	-	-	-	-	-	-
TOTAL		-	-	3487.67	879.10	-	-	-	4366.77

ANNEXURE – A.15 : Cash and Bank Balances
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
(A) Cash and cash equivalents		
Balances with banks		
In current accounts	29.66	0.29
Cash on hand	0.41	0.66
Total (A)	30.07	0.95
(B) Other bank balances		
Earmarked balances with banks	5.32	-
Balances with banks to the extent held as margin money or security against the borrowings, guarantees	208.77	217.53
Bank deposits with 3 to 12 months maturity	3200.00	-
Bank deposits with more than 12 months maturity	1994.00	-
Total (B)	5408.09	217.53
Less: Bank deposits with more than 12 months maturity (classified under Other Non Current Assets - Annexure A.12)	1994.00	-
Less: Bank balances to the extent held as margin money or security against borrowings, guarantees with more than 12 months maturity (classified under Other Non Current Assets - Annexure A.12)	28.28	92.95
Total (C)	2022.28	92.95
Total (D) = (A)+(B)-(C)	3415.88	125.52

ANNEXURE – A.16 : Short term Loans and Advances
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Loans and advances to related parties	7.97	0.30
Advances to Employees	14.58	17.51
Advances to vendors	109.25	19.68
Total	131.80	37.49
The above amount includes:		
Secured, considered good	-	-
Unsecured, considered good	131.80	37.49
Doubtful	-	-
Total	131.80	37.49

ANNEXURE – A.17 : Other Current Assets
(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Balances with Revenue Authorities:		
Balances with Income tax Authorities (<i>Advance Tax and TDS & TCS</i>)	206.38	234.64
Balance with GST Authorities (<i>ITC & TDS</i>)	132.93	0.99
Prepaid Expenses	20.13	22.51
Other Receivables	12.60	-
Total	372.04	258.13

Annexure B.1 : Revenue from operations**(₹ Lakhs)**

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Sales of products	7301.28	7084.54
Sale of services	441.86	121.44
Other operating revenues	-	-
Total	7743.14	7205.98

Annexure B.2 : Other Income**(₹ Lakhs)**

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Interest Income on Fixed Deposits	65.60	12.75
Profit on sale of Property, Plant and Equipment	12.50	0.13
Profit on Exchange Rates fluctuation	-	0.47
Rental Income	1.44	-
Miscellaneous Income	4.23	-
Total	83.77	13.35

Annexure B.3 : Cost of Materials Consumed**(₹ Lakhs)**

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Raw Material		
Opening stock	268.64	39.04
Add :- Purchases during the year	4334.11	5276.23
Add :- Customs Duty	8.79	22.46
Add :- Freight Inward and Clearing	7.49	22.33
	4619.02	5360.05
Less :- Closing stock	545.08	268.64
Total	4073.94	5091.41

Annexure B.4 : Changes in inventories of finished goods, WIP and stock-in-trade**(₹ Lakhs)**

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Change in inventories of finished goods		
Opening stock	-	-
Closing stock	-	-
Sub total (a)	-	-
Changes in inventories of work-in-progress		
Opening stock	792.77	223.05
Closing stock	226.87	792.77
Sub total (b)	565.90	(569.71)
Changes in inventories of stock-in-trade		
Opening stock	-	-
Closing stock	-	-
Sub total (c)	-	-
Total	565.90	(569.71)

Annexure B.5 : Employee Benefit Expenses
(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Salaries and wages	983.84	767.30
Contribution to provident and other funds	45.11	58.87
Staff welfare expenses	16.07	14.09
Total	1045.01	840.25

Annexure B.6 : Finance Costs
(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Interest expense on Borrowings	136.27	106.44
Bank Charges	21.95	15.02
Letter of Credit and Bank Guarantee Issue charges	24.51	25.04
Interest on Income Tax	17.17	5.90
Total	199.90	152.39
Less: Finance Costs capitalised	59.87	8.98
Net Finance Cost	140.03	143.41

Annexure B.7 : Depreciation and Amortisation Expenses
(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Depreciation Expense	175.69	169.64
Amortisation Expense	5.51	0.95
Total	181.20	170.59

Annexure B.8 : Other Expenses
(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Auditors Remuneration	2.00	2.00
Direct Expenses		
Power and Fuel	16.96	13.72
Project Maintenance	6.06	2.00
Labour Charges	15.59	10.50
Administration & Other Expenses		
Printing & stationery	3.20	8.00
Telephone and Internet expenses	2.40	2.61
Professional and Consultancy Charges		
To Directors	39.75	96.00
To Others	59.14	56.52
Office Maintenance	19.98	22.85
Repairs and Maintenance		
To Building	0.67	13.22
To Machinery & Equipment	14.92	10.16
Rent	14.77	14.48

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Rates and Taxes, excluding Taxes on Income	3.78	5.42
Insurance	2.78	4.36
Other Administrative Expenses	12.74	5.12
Loss on Exchange rates fluctuation	1.46	-
Liquidated Damages	22.31	10.65
Conveyance	34.33	26.55
Tender Fees	20.77	14.47
Travelling Expenses	113.56	101.80
Hiring expenses	4.03	2.78
Miscellaneous Expenses	0.05	45.48
Corporate Social Responsibility Expenditure	11.50	-
Selling & Distribution Expenses		
Advertisement	45.49	20.06
Freight Outward	7.61	5.12
Packing & Selling Expenditure	0.32	0.41
Total	476.18	494.24

Annexure B.9 : Earnings Per Equity Share**(₹ Lakhs except units)**

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Net profit after tax for the period	1042.97	779.34
Less: Preference Dividend provided for Non-cumulative Preference shares & attributable tax thereon	-	-
Less: Preference Dividend Cumulative Preference shares & attributable tax thereon	-	-
Net Profit attributable to the Equity Shareholders (A)	1042.97	779.34
Add: Dividends recognised during the period in respect of dilutive potential equity shares & adjustment related to attributable tax thereon	-	-
Add: Interest recognised during the period in respect of dilutive potential equity shares & adjustment related to attributable tax thereon	-	-
Add: After tax adjustment of any other change in expense or income as a result of conversion of dilutive potential equity shares	-	-
Adjusted Net Profit attributable to the Equity Shareholders after Dilution (B)	1042.97	779.34
Weighted average number of equity shares held throughout the period (C)	2,34,27,144	2,08,64,485
(No. of shares for previous year is adjusted for Bonus issue made in FY 2024-25 & Share split made post balance sheet date before approving of financial statements by the Board)		
Add: Weighted Average number of equity shares to be issued on the conversion of all dilutive potential equity shares into equity shares	-	-
Weighted average number of equity shares held throughout the period for calculation of Diluted EPS (D)	2,34,27,144	2,08,64,485
Earning per share in ₹ (face value of ₹2/- each fully paid)		
Basic (A/C)	4.45	3.74
Diluted (B/D)	4.45	3.74

Additional disclosures to be made as per Schedule III of the Companies Act,2013

1. Payments to the Auditor:

(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
For Statutory Audit	1.40	1.40
For Tax Audit	0.60	0.60
Total	2.00	2.00

2. Prior Period Items:

Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the Financial Statements of one or more prior periods.

Prior period errors adjusted during the period are as follows:

(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
1. Prior period borrowing costs reversed and capitalised	-	(1.85)
2. Recognition of Interest accrued but not due of prior period	-	0.93
3. Recognition of Bank charges pertaining to prior period	-	0.44
4. Effect of rectification of arithmetic mistake in calculation of prepaid insurance pertaining to prior period	-	0.52
5. Adjustment of prior period provision for gratuity	-	(3.85)
6. Prior Period IPO Expenses capitalized	(31.07)	-
Total	(31.07)	(3.82)

Note:

- Adjustment on account of prior period deferred tax expenses of ₹0.97lakhs with respect to the adjustment of prior period provision for gratuity has been made under the head "Prior period taxes" in the Statement of Profit and Loss for the year ending 31.03.2025.
- Adjustment on account of prior period deferred tax expenses of ₹(0.75)lakhs with respect to the change in the gratuity estimate has been made under the head "Prior period taxes" in the Statement of Profit and Loss for the period ending 31.03.2026.

3. Additional Information to be disclosed under broad heads for inventories; revenue from operations and foreign exchange:

a. Raw Material Consumption

(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Vector Signal Transceivers	293.01	644.59
High End Oscilloscope	635.11	547.05
Mil grade Controllers	442.35	189.83
PXI Express Chassis	93.23	165.03
FPGA processor	-	161.85
Programmable power supplies	336.71	108.16
Strain Measurement Module	-	66.00
Voltage Measurement	91.53	63.70
High voltage power supplies	-	53.54
Others	2182.01	3091.67
Total	4073.94	5091.41

b. Work In Progress

(₹ Lakhs)

Particulars	As At 31-03-2026	As At 31-03-2025
Data Acquisition Systems	-	-
Automated Test Equipment	91.37	365.43
Check out Systems	74.81	427.34
Measurement Equipment	60.68	-
Total	226.87	792.77

c. Revenue from Sale of Products

(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Data Acquisition Systems	457.81	697.97
Automated Test Equipment	1349.18	1629.96
Check out Systems	1679.81	3208.40
Measurement Equipment	3814.48	1548.20
Total	7301.28	7084.54

d. Revenue from rendering Services

(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Software Development	100.07	37.47
AMC's	332.81	80.27
Others	8.98	3.70
Total	441.86	121.44

e. Consumption of Imported & Indigenous Materials

(₹ Lakhs)

Particulars	For the year ending 31-03-2026		For the year ending 31-03-2025	
	₹ Lakhs	Percentage %	₹ Lakhs	Percentage %
Imported				
Raw Materials	63.01	1.55%	316.48	5.97%
Stores & Spares	5.18	0.13%	4.79	0.09%
Components	-	0.00%	-	0.00%
TOTAL (A)	68.19	1.67%	321.27	6.06%
Indigenous				
Raw Materials	3990.83	97.96%	4759.01	93.73%
Stores & Spares	14.92	0.37%	11.13	0.21%
Components	-	0.00%	-	0.00%
TOTAL (B)	4005.75	98.33%	4770.14	93.94%
Total Consumption (C) = (A) + (B)	4073.94	100.00%	5091.41	100.00%

f. Value of Imports calculated on CIF basis

(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Raw Materials	116.20	310.71
Components & Spares	-	-
Capital Goods	-	4.80
Total	116.20	315.51

g. Expenditure in Foreign Currency

(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Royalty	-	-
Know-how	-	-
Professional and Consultation fees	-	-
Interest	-	-
Other matters	-	-
Total	-	-

h. Earnings in Foreign Exchange (₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Export of goods calculated on FOB Basis	-	-
Royalty, Knowhow, Professional & Consultation fee	-	-
Interest and Dividend	-	-
Other Income	1.79	-
Total	1.79	-

4. Disclosure under AS-4 Contingencies and Events occurring after the Balance sheet date:

The company does not have any contingencies or events occurred after the balance sheet as on 31.03.2026 which require material adjustment for the figures as reported for the year ending 31.03.2026 / as at 31.03.2026.

5. Disclosure under AS-15 Employee Benefits: (Post-employment benefit plans:)

(a) Defined contribution plan:

The following amounts are recognised as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities:

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Employer Contribution to provident fund recognised as expense in the Statement of Profit and Loss	22.45	20.34
Employer Contribution to Employees State Insurance recognised as expense in the Statement of Profit and Loss	0.32	0.49
Total	22.77	20.83

(b) Defined Benefit Plan

The Company has a defined benefit gratuity plan. The company identifies all of its permanent employees who are aged not less than 18 years and not more than 58 years as eligible employees for the payment of gratuity and has obliged to pay the gratuity benefit, upon termination, retirement or death of any such eligible employee, as per the applicable provisions of the Payment of Gratuity Act, 1972 and rules made thereunder amended from time to time. The scheme is funded with Life Insurance of India under the "Group Gratuity Scheme".

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Assumptions:

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Discount rate	8.07% p.a.	7.25% p.a.
Expected Rate of salary increase	9% p.a.	7% p.a.
Attrition Rate	5%	1 % to 3% depending on age
Mortality Rate	As per Indian Assured Lives Mortality (2012-14) ultimate	As per LIC (2006-08) ultimate
Retirement Age	58 years	58 years

Changes in Defined Benefit Obligations & Plan Assets:

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
<u>Change in Defined Benefit Obligations</u>		
Obligation at the beginning of the Financial year	96.63	66.30
Current service cost	15.27	15.82
Interest Cost	6.92	4.81
Past service cost	-	-
Benefits paid	(3.11)	(9.26)
Adjustment due to excess provision made in Prior period	-	(2.13)
Actuarial Losses/(Gain)	(10.67)	21.10
Obligation at the year end	105.04	96.63
<u>Change in Plan assets</u>		
Opening Fair value of Plan assets	98.79	66.30
Expected return on plan assets	7.29	4.52
Actuarial gain/ (loss)	(0.43)	-
Prior period adjustment	-	1.72
Assets distributed on settlements	(3.11)	-
Contributions by Employer	11.97	35.50
Exchange Difference on Foreign Plans	-	-
Benefits Paid	-	(9.26)
Closing Fair value of Plan assets	114.50	98.79

Funded Status - Net Asset / (Liability):

Particulars	As At 31-03-2026	As At 31-03-2025
Defined Benefit Plan Asset	9.46	2.15
Defined Benefit Plan (Liability):		
Non - Current	-	-
Current	-	-
Net Asset / (Liability)	9.46	2.15

Net Expense recognised in Statement of Profit & Loss:

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
Current service cost	15.27	15.82
Add: Interest Cost	6.92	4.81
Add: Past service cost	-	-
Add: Gratuity insurance premium	0.85	0.84
Add: Actuarial Loss / (Gain)	(10.24)	21.10
Less: Return on Plan Assets	7.29	4.52
Total	5.52	38.04

Note:

The Company ordinarily relies on actuarial valuation issued by the LIC of India under the Group Gratuity Scheme with whom the company is maintaining the Gratuity fund till the financial year ending 31.03.2025. For the purpose of Financial Statements for the year ending 31.03.2026 prepared in accordance with Companies Act, 2013, the Company has obtained an independent actuarial valuation for the said period. To ensure uniform actuarial valuation and consistency across all reporting periods, the resulting adjustments, where applicable, on account of Actuarial Assumptions have been duly incorporated in the Actuarial loss/gain in accordance with AS-15.

6. Disclosure under AS-16 Borrowing Costs:

Borrowing costs to the extent of ₹13,36,922/- and ₹ 46,50,165/- incurred during the year ending 31.03.2026 on the specific borrowings made by the company towards the purchase of residential flat (NSL property) and Establishment of New Factory (Including purchase of Plant & Machinery) respectively which have met the criteria of "Qualifying Asset" are capitalised as per the provisions of "AS-16 Borrowing Costs" and classified under the head "Capital Work In Progress".

7. Disclosure under AS-18 Related Party Disclosures:
List of Related Parties and Nature of Relationship:
i) Key Managerial Personnel

Name of the Related Party	Nature of Relationship
Madhusudhan Varma Jetty	Managing Director
Radhika Varma Jetty	Director
Shashank Varma Jetty	Director
Hitesh Varma Jetty	Director w.e.f. 20.01.2025
Kameswara Rao Vempati	Company Secretary w.e.f. 18.02.2025
Sri Harsha Vadakattu	Chief Financial Officer w.e.f. 26.03.2025
Balasubramanyam Danturti	Independent Director w.e.f 25.07.2025
Sesha Rama Srinivasa Sastry Pullela	Independent Director w.e.f 25.07.2025
Madadi Ugender Reddy	Independent Director w.e.f 25.07.2025

ii) Transactions carried out with related parties referred to in (i) above, during the period in ordinary course of business:

(₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
A. Madhusudhan Varma Jetty		
a. Professional & Consultancy Charges	32.00	96.00
b. Salary	95.95	-
c. Reimbursement of Expenses	3.67	13.86
d. Interest costs	-	3.92
e. Loan repaid during the period	-	80.00
f. Advance payment of Professional & Consultancy Charges made	-	1.50
g. Advance Professional & Consultancy Charges recovered	-	1.50
h. Salary Advance given	0.50	-
B. Radhika Varma Jetty		
a. Salary	42.11	30.48
b. Rent	-	1.94
c. Expenses advance given	0.50	0.50
d. Expenses advance recovered	-	0.50
C. Shashank Varma Jetty		
a. Salary and Bonus	61.67	129.91
b. Reimbursement of Expenses	6.34	-
c. Advance given by company	3.45	-
d. Advance recovered by company	-	0.50
D. Hitesh Varma Jetty		
a. Salary and Bonus	50.32	26.91
b. Reimbursement of Expenses	0.30	-
c. Salary Advance given by company	3.45	-
E. Kameswara Rao Vempati		
a. Salary	13.45	1.29
b. Reimbursement of Expenses	0.56	-
F. Sri Harsha Vadakattu		
a. Salary	36.57	-
b. Reimbursement of Expenses	5.11	-
G. Balasubramanyam Danturti		
a. Sitting Fees	2.43	-
H. Sesha Rama Srinivasa Sastry Pullela		
a. Sitting Fees	2.16	-
I. Madadi Ugender Reddy		
a. Sitting Fees	2.39	-

iii) **Net Balance outstanding payable to the related parties at the end of the period:** (₹ Lakhs)

Name of the Related Party	As At 31-03-2026	As At 31-03-2025
A. Madhusudhan Varma Jetty	0.60	(6.94)
B. Radhika Varma Jetty	0.50	(1.72)
C. Shashank Varma Jetty	3.62	(10.87)
D. Hitesh Varma Jetty	3.26	(2.00)
E. Kameswara Rao Vempati	-	(1.01)
F. Sri Harsha Vadakattu	(0.01)	-
G. Balasubramanyam Danturti	(0.23)	-
H. Sesha Rama Srinivasa Sastry Pullela	(0.14)	-
I. Madadi Ugender Reddy	(0.23)	-

8. **Contingent Liabilities and Commitments (to the extent not provided for):** (₹ Lakhs)

Particulars	For the year ending 31-03-2026	For the year ending 31-03-2025
A. Contingent Liabilities		
a. Claims against the company not acknowledged as Debt	-	-
b. Guarantees	-	-
c. Any other money for which company is contingently liable	-	-
B. Commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Refer Notes below)	143.14	1,085.04
b. Uncalled liability on shares and other investments partly paid	-	-
c. Any other commitment	-	-

Notes on Commitments:

- The company has entered into an agreement of sale with "M/s. NSL SEZ (Hyderabad) Pvt. Ltd." on 17.01.2024 to purchase a residential housing property No.A-3206, in Tower-A of "NSL East Luxoria" situated at Plot No.6, Sy. No.1(Part), situated at IDA, Uppal, Medchal-Malkajgiri District of Telangana for a total sale consideration of ₹261.29lakhs/- (including GST) against which, the company has paid advances to the seller to the extent of ₹182.73lakhs as on 31.03.2026.
- The Company paid an Earnest Money Deposit of ₹150.06lakhs to Telangana Industrial Infrastructure Corporation Limited (TGIIC) on 07.03.2025 towards allotment of land. The Provisional allotment has been made vide letter dated 24.04.2025 from TGIIC for a total consideration of ₹1000.42lakhs/-. Balance consideration of ₹850.36lakhs has been made by the company on 19.06.2025. As the event occurred after the balance sheet date but before approval of the financial statements for the FY 2024-25, and requires adjustment as per AS-4, the deposit has been classified under "Capital Advances" under "Other Non-Current Assets" as on 31.03.2025. Considering the same, the balance consideration of ₹850.36lakhs has been disclosed under Capital commitments section for the year ending 31.03.2025.
- The Company has issued an work order to "M/s Sripra Projects" on 20.02.2025 to Construct a residential building at Plot No 236, Sark Green Plains Layout Tukuguda Village, Hyderabad for a Total consideration of ₹136.71lakhs/-(Including GST) against which, the Company has incurred to the extent of ₹92.22lakhs/- as on 31.03.2026
- The Company has issued an work order to "M/s JLC Infra" on 13.09.2025 for site clearance, excavation in soil, rock cutting (hard/soft rock) and disposal of excavated material at Plot No.6/2 admeasuring to an extent of 8336.82 Sq.Mtrs Situated at IP Hardware park Ph-II at Mamidipally Village of Balapur(M), Ranga Reddy District for a Total Consideration of ₹ 245.32 lakhs/-(Including GST) against which, the Company has incurred to the extent of ₹225.24lakhs/- as on 31.03.2026

9. Additional Regulatory Information:

i) Title deeds of Immovable Property not held in name of the Company:

The company does not have any such immovable properties included in the Property, Plant and Equipment whose title deeds / lease deeds are not held in the name of the company

ii) Revaluation of Property, Plant & Equipment and Intangible Assets

The company has not revalued any of its Property, Plant & Equipment and Intangible Assets during the reporting periods. The disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable

iii) Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties

The company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and any other related parties as defined in the Companies Act, 2013 either severally or jointly with any other person that are either repayable on demand or without specifying any terms or period of repayment during the reporting periods.

iv) Capital - Work - In Progress (CWIP)

There are two projects under the head of "Capital - Work - In Progress" as on 31.03.2026 with respect to the ongoing construction of New Factory setup and the ongoing construction of the Company's Guesthouse and the disclosures relating to the ageing schedule of the same are as mentioned hereunder:

					(₹ Lakhs)
Amount of Capital Work-in-Progress for a period of					Total
CWIP	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	433.83	10.84	-	-	444.66
Projects temporarily suspended	-	-	-	-	-

There are no projects under the "Capital work in progress" whose completion is overdue or has exceeded its cost compared to its original plan as on 31.03.2026

v) Intangible Assets Under Development (ITAUD)

The company does not have any Intangible Assets under development during the reporting periods and hence the disclosure relating to the ageing schedule of the intangible assets under development is not applicable

vi) Details of Benami Property held

The company does not hold any benami property under the Benami Transaction (prohibition) act, 1988 and the rules made thereunder. Hence any proceeding has not been initiated or pending against the company for holding any benami property under the Benami Transaction (prohibition) act, 1988 and rules made there under.

vii) Disclosure with respect to borrowings from banks/financial institutions based on security of current assets:

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

viii) Wilful Defaulter

The company has not been declared as wilful defaulter by any bank or financial institution or Government or Government Authority during the reporting periods.

ix) Relationship with struck off companies

The company does not have any relationship with the struck off companies during any of the reporting periods

x) Registration of charges or satisfaction with Registrar of Companies

The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

xi) Compliance with number of layers of companies

The Company does not have any subsidiaries therefore disclosure of compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

xii) Compliance with approved Scheme(s) of Arrangements

The Company does not have any arrangements made in terms of section 230 to 237 of Companies Act 2013, and hence there is no deviation to be disclosed.

xiii) Utilisation of Borrowed funds and share premium:

During the reporting periods, the Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

During the reporting periods, the Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding that the Company shall:

- (i) 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
- (ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries

10. Other Additional Disclosures:

- a. There are no amounts set aside and/or proposed to be set aside or withdrawn from/to reserves out of the profits other than provisions made to meet any specific liability by the company for the period for which Financial Statements have been prepared including the period ending 31.03.2026
- b. The company has no subsidiary companies during the periods /as at the end of the periods covered in the financial statements. Hence, the disclosure relating to the dividend received and provision made towards the losses of subsidiary companies is not applicable
- c. As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting education, promoting gender equality by empowering women, healthcare, environment sustainability, art and culture, destitute care and rehabilitation, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013. The provisions of Corporate Social Responsibility (CSR) are applicable from this financial year.

The Company has fully spent the required amount towards Corporate Social Responsibility ("CSR") and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act, or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Detailed disclosures with respect to the same are as follows:

(₹ Lakhs)

Particulars	Paid in cash	Yet to be paid in cash	Total
(i) Construction / Acquisition of any asset	-	-	-
(ii) On Purposes other than (i) above	11.50	-	11.50

(₹ Lakhs)

Particulars	FY 2025-26	FY 2024-25
a) Amount required to be Spent by Company During the Year	11.50	NA
b) Amount of Expenditure Incurred	11.50	NA
c) Shortfall at the End of Year	-	NA
d) Total Previous Year Shortfall	NA	NA
e) Reason of Shortfall	NA	NA
f) Nature of CSR Activities undertaken during the year	Donations to CSR Trusts	NA
g) Details of Related Party Transactions, e.g., Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard,	NA	NA
h) Where a provision is made with respect to liability incurred by entering into a contractual obligation	NA	NA
i) the shortfall amount (i.e. unspent amount), in respect of other than ongoing projects, transferred to a Fund specified in Schedule VII to the Act, as per section 135(5) of the Act	NA	NA
j) the shortfall amount (i.e. unspent amount), pursuant to any ongoing project, transferred to special account as per section 135(6) of the Act	NA	NA

- d. The company does not have any transactions that are omitted to be recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and also does not have any previously unrecorded income and related assets during the period for which Financial Statements have been prepared including the period ending 31.03.2026.
- e. The company has neither traded nor invested in Crypto Currency or Virtual Currency during the period for which Financial Statements have been prepared including the period ending 31.03.2026
- f. The company does not have any non-resident shareholders during the period for which the Financial Statements have been prepared including the period ending 31.03.2026. Hence, disclosure regarding remittance in foreign currencies on account of dividends is not applicable
- g. Figures of the previous financial year, including other financial information, have been adjusted / regrouped, in accordance with the groupings made for the current financial year wherever necessary.
- h. Amounts due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been reported to the extent of information memorandum received from the suppliers
- i. During the FY 2024-25, the Company incurred a loss of ₹45.17 lakhs due to a cyber fraud involving a spoofed email impersonating a regular vendor. The matter has been reported to the cyber-crime authorities and is under investigation. The Company has implemented additional control measures to strengthen vendor communication and payment processes.
- j. During the year, the Company received notices dated 28 March 2026 from the Registrar of Companies, Hyderabad ("ROC"), followed by adjudication orders dated 22 April 2026 in relation to proceedings initiated under Section 42 of the Companies Act, 2013, whereby penalties aggregating to ₹ 26 crores (Company & Directors) were imposed. The Company filed appeals against the said adjudication orders before the Regional Director, Hyderabad. Pursuant to the orders of the Regional Director dated 4 May 2026, the adjudication orders were set aside and the penalties were reduced to Nil. Accordingly, no liability subsists in respect of the said proceedings as at the date of approval of these financial statements.
- k. The company has been allotted the land from the Telangana State Industrial Investment Corporation (TSIIC) vide its allotment letter dated 01.08.2025 on conditional basis that the company should be able to generate the invoicing from the factory established on the allotted land within two years from the date of allotment. The company had entered into an Agreement of Sale with the TSIIC on 03.09.2025 with respect to the allotment and has obtained the possession of the land and has commenced the construction activity as on 31.03.2026. The transfer of legal ownership by way of executing registered sale deed in the favour of the company would be made after the aforesaid condition has been satisfied by the company. Considering the possession has been obtained but the legal ownership is not yet transferred to the company, the consideration paid to the TSIIC towards the allotment of land has been classified under "Capital Advances" under "Long Term Loans and Advances".

ANNEXURE - E STATEMENT OF ACCOUNTING RATIOS

Particulars	Numerator	Denominator	FY 2025-26	FY 2024-25	Variance	Reason for variance > 25%
Current Ratio (in times)	Current assets	Current liabilities	3.46	1.60	-116%	Increase of Cash & Bank Balances on account of Fresh Infusion of Funds via IPO Route
Debt-Equity Ratio (in times)	Total Debt (Long Term Borrowings + Short Term Borrowings)	Shareholder's Equity	0.04	0.40	91%	Impact of increase of Shareholder's Equity on account of Fresh Issue of Shares and Securities Premium
Debt Service Coverage Ratio (in times)	Earnings before Interest, Depreciation & Amortisation and Taxes (EBITDA = Profit before tax + Depreciation + Amortisation + Interest expense on borrowings - Other Income)	Interest + Principal due during the current period	7.69	4.71	-63%	Increase of EBITDA and Reduction in Debt due to early repayment of major loan from Indian Bank
Return on Equity Ratio (in %)	Net Profit after taxes	Average Shareholder's Equity	14.77%	33.38%	56%	Impact of increase of Shareholder's Equity on account of Fresh Issue of Shares and Securities Premium
Inventory turnover ratio (in times)	Revenue from Operations	Average Inventory	8.45	10.89	22%	--
Trade Receivables turnover ratio (in times)	Revenue from Operations	Average Trade receivables	1.79	2.28	22%	--
Trade payables turnover ratio (in times)	Purchase of Raw Materials (including customs duty and freight) + Purchase of Stock in trade + Other expenses	Average Trade payables	5.25	7.45	29%	--
Net working capital turnover ratio (in times)	Revenue from Operations	Average Working Capital (Working capital = Current Assets - Current Liabilities)	1.80	5.38	66%	Increase of Current Assets on account of IPO, inturn increased the Average Working Capital for 25-26 bringing down the ratio for current FY
Net profit ratio (in %)	Net Profit after taxes	Revenue from Operations	13.47%	10.82%	-24%	--

Particulars	Numerator	Denominator	FY 2025-26	FY 2024-25	Variance	Reason for variance > 25%
Return on Capital employed (in %)	Earning before interest & taxes (EBIT = Profit Before Tax + Interest expense on borrowings - Other Income)	Average Capital employed (Capital Employed = Tangible Networth + Long term borrowings + Short term borrowings + Deferred tax liability)	17.28%	33.73%	49%	Impact of increase of Shareholder's Equity on account of Fresh Issue of Shares and Securities Premium
Return on investment (in %)	Net Profit after taxes	Average Total Assets	9.98%	14.46%	31%	Impact of increase of Shareholder's Equity on account of Fresh Issue of Shares and Securities Premium





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