



(Please scan this QR Code to view the RHP)

This is an abridged prospectus containing salient features of the Red Herring Prospectus of DCX SYSTEMS LIMITED dated October 19, 2022 filed with the Registrar of Companies, Karnataka at Bangalore (the “RHP” or “Red Herring Prospectus”). You are encouraged to read greater details available in the RHP, which is available at <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=15&smid=11>. Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the RHP.

**THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**



**DCX SYSTEMS LIMITED**

**Corporate Identity Number:** U31908KA2011PLC061686; **Date of Incorporation:** December 16, 2011

Registered office and Corporate office	Contact Person	Email and Telephone	Website
Aerospace SEZ Sector, Plot Numbers 29,30 and 107, Hitech Defence and Aerospace Park, Kavadasanahalli Village, Devanahalli Taluk, Bengaluru Rural - 562110 Karnataka, India	Nagaraj R Dhavaskar Company Secretary, Legal and Compliance Officer	Tel: +91 80 6711 9555 / 9535 Email: cs@dcxindia.com	www.dcxindia.com

**PROMOTERS OF OUR COMPANY: DR. H.S. RAGHAVENDRA RAO, NCBG HOLDINGS INC. AND VNG TECHNOLOGY PRIVATE LIMITED**

**Details of Offer to Public**

Type of Offer	Fresh Issue Size (by no. of Equity Shares or by amount in ₹)	Offer for Sale size	Total Offer Size (by amount in ₹)	Offer under Regulation 6(2)	Share Reservation among QIBs, NIBs & RIBs		
					QIBs	NIBs	RIBs
Fresh Issue and an Offer for Sale	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 4,000.00 million	Offer for sale of up to [●] Equity Shares aggregating up to ₹ 1,000.00 million	₹ 5,000.00 million	The Offer is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations, as the Company did not fulfil the requirement under Regulation 6(1)(a) of having monetary assets less than 50% of net tangible assets in each of the preceding three Financial Years.	At least 75.00% of the Offer (of which up to 60.00% of the QIB Portion shall be available for allocation to Anchor Investors)	Not more than 15.00% of the Offer	Not more than 10.00% of the Offer

The Equity Shares are proposed to be listed on BSE Limited (Designated Stock Exchange) and National Stock Exchange of India Limited.

**Details of Offer for Sale by Selling Shareholders:**

Name of Selling Shareholder	Type of Selling Shareholder	Number of Shares Offered/Amount (₹ in million)	Average Cost of Acquisition Per Equity Share <sup>^</sup> (In ₹)
NCBG HOLDINGS INC.	Promoter	[●] Equity Shares aggregating up to ₹ 500.00 million	5.65
VNG TECHNOLOGY PRIVATE LIMITED	Promoter	[●] Equity Shares aggregating up to ₹ 500.00 million	0.50

<sup>^</sup>As certified by M/s NBS & Co., Chartered Accountants, by way of their certificate dated October 19, 2022.

**PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES**

Price Band	₹ [●] per Equity Share to ₹ [●] per Equity Share of face value of ₹ 2 each.
For details of the Price Band and the basis for the Offer Price, please refer to the price band advertisement and the section titled “Basis for the Offer Price” on page 112 of the RHP.	
Minimum Bid Lot Size	[●] Equity Shares
Bid/Offer Opens On*	Monday, October 31, 2022
Bid/ Offer Closes On	Wednesday, November 2, 2022
Finalisation of the Basis of Allotment	On or about Monday, November 7, 2022
Initiation of Refunds/Unblocking of Funds from ASBA Accounts**	On or about Wednesday, November 9, 2022
Credit of Equity Shares to demat accounts of allottees	On or about Thursday, November 10, 2022
Commencement of trading	On or about Friday, November 11, 2022

\* Our Company, acting through the IPO Committee, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidders shall be compensated in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022, which for avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Bank with the SCSBs to the extent applicable and in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

**THE WEIGHTED AVERAGE COST OF ACQUISITION OF ALL EQUITY SHARES TRANSACTED IN THE PRECEDING 18 MONTHS FROM THE DATE OF THE RED HERRING PROSPECTUS.**

Period	Weighted average cost of acquisition (in ₹)*	Upper end of the price band (₹ 207) is 'X' times the weighted average cost of acquisition	Range of acquisition price: Lowest price – Highest price (in ₹)*
Last 18 months prior to the date of the Red Herring Prospectus	3.78	54.76	Nil <sup>^</sup> – 45.89*

<sup>^</sup> The acquisition price of NIL represents Equity Shares that were allotted pursuant to bonus issue as approved by the resolution of the Shareholders passed in the extra ordinary general meeting held on January 27, 2022. For details, see “Capital Structure” on page 84.

\* Pursuant to the Shareholders’ resolution dated January 25, 2022, each full paid-up equity share of our Company of face value of ₹ 10 was sub-divided into five Equity Shares of our Company of face value of ₹ 2 each. Range of acquisition price is adjusted for aforesaid split of equity shares.

**RISKS IN RELATION TO THE FIRST OFFER**

The face value of the Equity Shares is ₹ 2.00 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company, in consultation with the BRLMs), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in “Basis for Offer Price” on page 112, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 27.

**PROCEDURE**

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Syndicate Members, Registrar to the Offer, Registrar and Share Transfer Agents (“RTAs”), Collecting Depository Participants (“CDPs”), Registered Brokers, Banker to the Offer, Investors’ Associations or Self Certified Syndicate Banks (“SCSBs”).

If you wish to know about processes and procedures applicable to the Offer, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLMs or download it from the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), the websites of NSE and BSE at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), respectively, and the websites of the BRLMs at [www.edelweissfn.com](http://www.edelweissfn.com), [www.axiscapital.co.in](http://www.axiscapital.co.in) and [www.saffronadvisor.com](http://www.saffronadvisor.com), respectively.

**PRICE INFORMATION OF BRLMs**

Sr. No	Issue Name	Merchant Bankers	+/- % change in closing price, +/- % change in closing benchmark]		
			30th calendar day from listing	90th calendar day from listing	180th calendar day from listing
1	Vedant Fashions Limited	Edelweiss, Axis	3.99% [-0.20%]	14.53% [-8.54%]	37.67% [2.17%]
2	MedPlus Health Services Limited	Edelweiss, Axis	53.22% [3.00%]	23.06% [1.18%]	-6.55% [-9.98%]
3	Tarsons Products Limited	Edelweiss	-4.16% [0.03%]	-4.46% [0.22%]	0.20% [-5.35%]
4	S. J. S. Enterprises Limited	Edelweiss	-24.99% [-4.33%]	-29.33% [-4.06%]	-30.67% [-12.85%]
5	Vijaya Diagnostic Centre Limited	Edelweiss	5.41% [4.50%]	8.08% [0.76%]	-20.59% [-4.31%]
6	Aptus Value Housing Finance India Limited	Edelweiss	-2.82% [5.55%]	-0.82% [6.86%]	0.64% [3.92%]
7	Devyani International Limited	Edelweiss	32.83% [4.93%]	78.39% [9.30%]	97.17% [4.90%]
8	Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)	Axis	NA	NA	NA
9	Tamilnad Mercantile Bank Limited	Axis	-8.43%, [-3.36%]	NA	NA
10	Paradeep Phosphates Limited	Axis	-10.24%, [-3.93%]	+27.50%, [+7.65%]	NA
11	Prudent Corporate Advisory Services Limited	Axis	-20.71%, [-5.46%]	-2.10%, [+10.92%]	NA
12	Life Insurance Corporation Of India	Axis	-27.24%, [-3.27%]	-28.12%, [+9.47%]	NA
13	CMS Info Systems Limited	Axis	+21.99%, [-1.81%]	+25.35%, [+0.74%]	+3.75%, [-8.71%]

Source: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

**Notes :**

1. Based on date of listing.
2. % of change in closing price on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30<sup>th</sup>/ 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day.
3. Wherever 30<sup>th</sup>/ 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.

**IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS**

4. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.
5. Not Applicable. – Period not completed
6. Disclosure in above Table is restricted to past 7 issues managed by each BRLM.

For further details, please refer to "Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs" on page 346 of the RHP.

**BOOK RUNNING LEAD MANAGERS**

<b>Edelweiss Financial Services Limited</b> Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.com	<b>Axis Capital Limited</b> Tel: +91 22 4325 2183 E-mail: dcx.ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in	<b>Saffron Capital Advisors Private Limited</b> Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Investor Grievance E-mail: investorgrievance@saffronadvisor.com
---	--	---

<b>Name of Syndicate Member</b>	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
<b>Name of Registrar to the Offer</b>	<b>Link Intime India Private Limited</b> Tel: +91 22 4918 6200 E-mail: dcxsystems.ipo@linkintime.co.in Investor grievance E-mail: dcxsystems.ipo@linkintime.co.in
<b>Name of Statutory Auditor</b>	M/s NBS & Co., Chartered Accountants
<b>Name of Credit Rating Agency and the rating or grading obtained, if any</b>	Not Applicable
<b>Name of Debenture Trustee</b>	Not Applicable
<b>Self Certified Syndicate Banks</b>	The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , or at such other websites as may be prescribed by SEBI from time to time.
<b>Eligible SCSBs and mobile applications enabled for UPI Mechanism</b>	In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.
<b>Syndicate SCSB Branches</b>	In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> ) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> as updated from time to time.
<b>Non Syndicate Registered Brokers</b>	The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <a href="http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?">www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?</a> and <a href="http://www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm">www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm</a> , respectively, as updated from time to time. For further details, see section titled "Offer Procedure" beginning at page 360 of the RHP.
<b>Details regarding website address(es)/ link(s) from which the investor can obtain a list of RTAs, CDPs and stock brokers who can accept applications from investors, as applicable:</b>	The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <a href="http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?">www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?</a> and <a href="http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm">www.nseindia.com/products/content/equities/ipo/asba_procedures.htm</a> respectively, as updated from time to time.  The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at <a href="http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?">www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?</a> and <a href="http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm">www.nseindia.com/products/content/equities/ipo/asba_procedures.htm</a> , respectively, as updated from time to time.  For further details, see "Offer Procedure" on page 360 of the RHP.

PROMOTERS OF OUR COMPANY

Sr. No.	Name	Individual / Corporate	Experience & Educational Qualification
1	Dr. H.S. Raghavendra Rao	Individual	He has been conferred with an honorary doctorate in business management by the International Peace University, Germany. He has about 21 years of experience in the electronics manufacturing sector and aerospace sector. He was previously associated as a whole-time director with Vinyas Innovative Technologies Private Limited. He is also the recipient of awards such as the Young Entrepreneur of the Year award presented at the 10th International Achievers Summit, the Excellence award for Industrial Development presented by the Indian Economic Development and Research Association, Business Leadership Award from the International Peace University, Germany, Indo-Nepal Ratan Award by the Economic Growth Society of India, the Mahatma Gandhi Samman Award by NRI Welfare Society of India, a certificate of excellence in recognition of his exceptional work and being a pioneer in the field of Cable Assemblies and Healthcare Products by ET Pioneers, Times Group in 2021 and the Business Leadership Award at the International Achievers Awards held in Dubai in 2021 for excellence in defence electronics exports.
2	NCBG Holdings Inc.	Corporate	NCBG Holdings Inc. ("NCBG"), was incorporated as an exempted company in the Companies Law CAP. 22, as per the laws of the Cayman Islands on June 28, 2002. Its registration number is CR-118638. NCBG is primarily engaged in the business of investment. There have been no changes to the primary business activities undertaken by NCBG.
3	VNG Technology Private Limited	Corporate	VNG Technology Private Limited ("VNG") was incorporated as a private limited company on December 14, 2011 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the RoC. Its corporate identification number is U31401KA2011PTC061629. VNG is primarily engaged in the business of manufacturing of electrical equipment. There have been no changes to the primary business activities undertaken by VNG.

OUR BUSINESS OVERVIEW AND STRATEGY

**Company Overview:** We are among the leading Indian players for the manufacture of electronic sub-systems and cable harnesses in terms of manufacturing capability and revenue in Fiscal 2022 in the defence and aerospace sector (*Source: Company Commissioned F&S Report*). We commenced operations in 2011 and have been a preferred Indian Offset Partner for foreign original equipment manufacturers for executing aerospace and defence manufacturing projects (*Source: Company Commissioned F&S Report*). Over the years, we have expanded our manufacturing capabilities and grown our order book.

**Service Offerings:** We are primarily engaged in system integration and manufacturing a comprehensive array of cables and wire harness assemblies and are also involved in kitting.

**Geographies Served:** As of June 30, 2022, we had 26 customers in Israel, United States, Korea and India.

**Key Performance Indicators:**

(in ₹ million, except for percentages)

Particulars	As of and for the years ended March 31,			CAGR (Fiscal 2020 to Fiscal 2022)	For the three months ended June 30,	
	2020	2021	2022		2021	2022
	(Standalone)	(Consolidated)	(Consolidated)		(Standalone)	(Consolidated)
	(₹ million, except percentages)					
Total Income	4,652.29	6,832.42	11,243.34	55.46%	1,286.86	2,202.54
Revenue from Operations	4,492.62	6,411.63	11,022.73	56.64%	1,229.14	2,132.54
EBITDA <sup>(1)</sup>	305.13	100.80	838.73	65.79%	58.60	173.56
EBITDA Margin <sup>(2)</sup>	6.79%	1.57%	7.61%	5.87%	4.77%	8.14%
Adjusted EBITDA <sup>(3)</sup>	452.00	324.76	1,058.97	53.06%	116.27	243.45
Adjusted EBITDA Margin <sup>(4)</sup>	9.72%	4.75%	9.42%	(1.56)%	9.03%	11.05%
Profit for the year/period	97.44	295.58	656.08	159.48%	33.45	55.68
Profit for the year/period Margin <sup>(5)</sup>	2.09%	4.33%	5.84%	67.16%	2.60%	2.53%
ROE <sup>(6)</sup>	56.75%	63.18%	55.79%	(0.85)%	6.68%	4.52%
ROCE <sup>(7)</sup>	19.19%	4.16%	13.15%	(17.22)%	3.27%	2.71%
Adjusted ROCE <sup>(8)</sup>	28.86%	16.33%	16.70%	(23.93)%	6.80%	3.84%
Debt / Equity	7.80	2.91	4.27	(26.01)%	2.25	4.05

Notes:

- EBITDA is calculated as profit before exceptional items and tax plus finance costs, depreciation and amortization expenses less other income and plus foreign exchange loss. Other income includes (i) interest income on fixed deposits; (ii) unwinding of interest on security deposit; (iii) income from foreign exchange fluctuation; (iv) gain on termination of lease; (v) income from mutual funds; (vi) income arising from fair valuation of asset through profit and loss; and (vii) other income on account of incentives received pursuant to the Pradhan Mantri Rojgar Protsahan Yojana.
- EBITDA Margin is calculated as EBITDA divided by revenue from operations.
- Adjusted EBITDA is calculated as EBITDA plus interest on fixed deposits.

4. *Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by total income.*
5. *Profit for the year/period Margin is calculated as profit after tax divided by total income.*
6. *ROE is calculated as profit after tax divided by Net Worth. Net Worth is total equity.*
7. *ROCE is calculated as EBIT / Capital Employed. EBIT is calculated as EBITDA less depreciation and amortization expenses. Capital Employed is total assets less the sum of current liabilities and current investments.*
8. *Adjusted ROCE is calculated as Adjusted EBIT / Capital Employed. Adjusted EBIT is calculated as Adjusted EBITDA less depreciation and amortization expenses. Capital Employed is total assets less the sum of current liabilities and current investments.*

**Client Profile:** Our customers are present across India, Israel, the United States and South Korea and domestically our customers include public sector undertakings and private players in the defence manufacturing industry, government departments, space organisations and defence forces.

**Industries Served:** We undertake “build-to-print” system integration and manufacture cable and wire harness assemblies for both domestic and international original equipment manufacturers.

**Intellectual Property:** Our Company does not have any registered trademarks. We use the brand name ‘DCX’ pursuant to a no objection letter dated November 14, 2011 received from DCX-Chol Enterprises, Inc. For details, see “*Risk Factors - We do not own the brand name ‘DCX’.* We use the brand name ‘DCX’ pursuant to a no objection letter received from DCX-Chol Enterprises, Inc. In the event that we have to discontinue the use of the of brand name ‘DCX’ or the logo, it may adversely affect our business and financial condition.” on page 33 of the RHP.

**Market Share:** Among the leading Indian players for the manufacture of electronic sub-systems and cable harnesses in terms of manufacturing capability and revenue in Fiscal 2022 in the defence and aerospace sector (*Source: Company Commissioned F&S Report*).

**Manufacturing Plant, if any:** We operate through our manufacturing facility located at the Hi-Tech Defence and Aerospace Park SEZ in Bengaluru, Karnataka.

**Employee Strength:** As on June 30, 2022, we had 98 full time employees.

For details see ‘*Our Business – Human Resources*’ on page 188 of the RHP.

**BOARD OF DIRECTORS**

Sr. No.	Name and Designation	Experience & Educational Qualification	Directorships in other companies
1	Dr. H.S. Raghavendra Rao Chairman^ and Managing Director	He is the Chairman and Managing Director of our Company. He has been conferred with an honorary doctorate in business management by the International Peace University, Germany. He has about 21 years of experience in the electronics manufacturing sector and aerospace sector. He was previously associated as a whole-time director with Vinyas Innovative Technologies Private Limited. He is also the recipient of awards such as the Young Entrepreneur of the Year award presented at the 10th International Achievers Summit, the Excellence award for Industrial Development presented by the Indian Economic Development and Research Association, Business Leadership Award from the International Peace University, Germany, Indo-Nepal Ratan Award by the Economic Growth Society of India, the Mahatma Gandhi Samman Award by NRI Welfare Society of India, a certificate of excellence in recognition of his exceptional work and being a pioneer in the field of Cable Assemblies and Healthcare Products by ET Pioneers, Times Group in 2021 and the Business Leadership Award at the International Achievers Awards held in Dubai in 2021 for excellence in defence electronics exports.	<b>Indian Companies</b> • Neuron Biomed Equipments Private Limited • VNG Technology Private Limited <b>Foreign Companies</b> Nil
2	Neal Jeremy Castleman Non-Independent and Non-executive Director	He is the Non-Independent and Non-executive Director of our Company. He holds a bachelor of science degree in chemistry from the University of Southern California. He has over two decades of experience in the electronics manufacturing sector. He has been working with DCX-CHOL Enterprises, Inc as a director (president) since 1997.	<b>Indian Companies</b> Nil <b>Foreign Companies</b> • DCX Chol Enterprises Inc.
3	Sankarakrishnan Ramalingam Whole-time Director	He is the Whole-time Director of our Company and he is an associate of the Indian Institute of Bankers and holds a bachelor of science degree from the University of Bombay as well as a diploma in industrial chemistry from the British Institutes, Bombay. He has about 26 years of experience in the finance sector. He was previously associated with Hindustan Lever Limited and Syndicate Bank.	<b>Indian Companies</b> • Aster Capital Advisory Services Private Limited <b>Foreign Companies</b> Nil

**BOARD OF DIRECTORS**

Sr. No.	Name and Designation	Experience & Educational Qualification	Directorships in other companies
4	Kalyanasundaram Chandrasekaran Independent Director	He is the Independent Director of our Company. He is an associate of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He was previously associated with BDA Limited, Beacon Weir Limited, Ceeta Springs & Steels Limited, Associated Construction and Investment Company, LLC, Dubai Lifestyle City and Tracstar Investments Limited.	<b>Indian Companies</b> • Methodhub Technologies Private Limited <b>Foreign Companies</b> • Nemera International Company Limited (Thailand) • Nemera Technologies Company Limited (Thailand) • Sew-Tech Inc. (Dba- Method Hub) (United States of America) • Nemera Consulting Company Limited (Thailand) • Methodhub Inc (United States of America) • S&R Professionals LLC (United States of America) • Methodhub (Canada) • Kaizen Capital Investments SPC (Cayman Islands)
5	Panchangam Nagashayana Independent Director	He is the Independent Director of our Company. He holds a bachelor of engineering (electronics) degree from Gulbarga University. He has more than 30 years of experience in the electronics sector. He was previously associated with Canarie International, Canarie Electornics Inc., Plugmetrix Technologies LLP and Cyberstar Infocom Private Limited. He is currently a whole-time director of Avyaya Technologies Private Limited.	<b>Indian Companies</b> • Avyaya Technologies Private Limited <b>Foreign Companies</b> Nil
6	Lathika Siddharth Pai Independent Director	She is the Independent Director of our Company. She holds a bachelor of engineering (electronics) degree from Bangalore University as well as master's degree in science from the Rochester Institute of Technology. She has 15 years of experience in management consultancy and has been working with Tekinroads Consulting LLP since 2014 as a partner.	<b>Indian Companies</b> • Jobcorp Solutions Private Limited • Jobskills Solutions Private Limited <b>Foreign Companies</b> Nil

<sup>^</sup>Appointed as the Chairman and Managing Director of our Company with effect from February 2, 2022.

For further details in relation to our Board of Directors, see **"Our Management"** beginning on page 205 of the RHP.

**OBJECTS OF THE OFFER**

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholders.

**Fresh Issue**

Our Company proposes to utilise the Net Proceeds of the Fresh Issue towards funding the following objects:

Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company; Funding working capital requirements of our Company; Investment in our wholly owned Subsidiary, Raneal Advanced Systems Private Limited, to fund its capital expenditure expenses; and; General corporate purposes (collectively, referred to herein as the **"Objects"**).

We propose to utilise the Net Proceeds for the following Objects in accordance with the estimated schedule of utilisation of funds set forth in the table below:

(₹ in million)

S. No.	Particulars	Amount which will be financed from Net Proceeds <sup>(1)</sup>	Total estimated cost	Amount deployed	Estimated Utilisation of Net Proceeds	
					Fiscal 2023	Fiscal 2024
1	Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company	1,100.00	N.A.	-	1,100.00	-
2	Funding working capital requirements of our Company	1,600.00	N.A.	-	1,600.00	-
3	Investment in our wholly owned Subsidiary, Raneal Advanced Systems Private Limited, to fund its capital expenditure expenses.	448.83	448.83	-	448.83	-
	General corporate purposes <sup>(1)</sup>	●	●	●	●	-

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

**Means of finance:** Fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue or through existing identifiable internal accruals as required under Regulation 7(1)(e) the SEBI ICDR Regulations.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public offers / rights issues, if any, of our Company in the preceding 10 years:** Not Applicable.

**Terms of Issuance of Convertible Security, if any:** Not Applicable.

**Name of Monitoring Agency:** CARE Ratings Limited.

**Shareholding Pattern as on the date of the RHP:**

Category of shareholder	Pre Issue number of shares	% Holding of Pre issue
Promoters and Promoter Group	76,000,000	98.20
Public	1,400,000	1.80
<b>Total</b>	<b>77,400,000</b>	<b>100.00</b>

**Number / amount of equity shares proposed to be sold by Selling Shareholders , if any:**

S. No.	Name of Selling Shareholder	No. of Equity shares offered in the Offer for Sale
1.	NCBG HOLDINGS INC.	[●] Equity Shares aggregating up to ₹ 500.00 million
2.	VNG TECHNOLOGY PRIVATE LIMITED	[●] Equity Shares aggregating up to ₹ 500.00 million

**SUMMARY OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in million except per share data)

Particulars	As at and for the three month period ended <sup>^</sup>	As at and for the three month period ended <sup>^</sup>	For the period ended March 31,		
	June 30, 2022 (Consolidated)	June 30, 2021 (standalone)	2022 (consolidated)	2021 (standalone)	2020 (standalone)
Total income	2,202.54	1,286.86	11,243.34	6,832.42	4,652.29
Profit before exceptional items and tax	64.71	38.04	755.55	398.06	128.67
Profit after tax and extraordinary items	55.68	33.45	656.08	295.58	97.44
Equity share capital	154.8	35	154.8	35	35
Other Equity	1,077.04	465.47	1,021.10	432.86	136.70
Total Equity/ Networth	1,231.84	500.47	1175.9	467.86	171.7
Basic earning per Equity Share (in ₹)	0.72	0.48	9.19	4.22	1.39
Diluted earnings per Equity Share (in ₹)	0.72	0.48	9.19	4.22	1.39
Return on Net Worth (%)	4.52	6.68	55.79	63.18	56.75
Net Asset Value per Equity Share*	15.92	7.15	15.19	6.68	2.45

\* Net Asset Value (per Equity Share) means total equity as restated divided by number of Equity Shares outstanding at the end of the year/period, as adjusted for the bonus issue of 52,500,000 Equity Shares for all the periods presented herein, as applicable.

<sup>^</sup> Not annualized

Note:

(1) Earning per share figures disclosed above are based on the Restated Financial Information of our Company, as adjusted for the bonus issue of 52,500,000 Equity Shares for all the periods presented herein, as applicable.

(2) Net worth is equal to total equity.

**INTERNAL RISK FACTORS**

**Below mentioned risks are the top 5 risk factors as per the RHP:**

- Our business is dependent on the sale of our products and services to our key customers. Our top three customers accounted for 73.26%, 86.90%, 80.55%, 85.70% and 96.83% of our revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2021 and June 30, 2022, respectively. The loss of one or more such customers or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.
- Our revenue from operations depends significantly on offset defence contracts. Any changes in the offset defence policy or a decline or reprioritisation of funding in the Indian defence budget, or delays in the budget process could adversely affect our ability to grow or maintain our sales, earnings, and cash flow.
- Our current order book may not necessarily translate into future income in its entirety. Some of our current orders which we have received may be modified, cancelled, delayed, put on hold or not fully paid for by our customers, which could adversely affect our results of operations.

4. Significant shortages of, or delay or disruption in the supply of raw materials could affect our estimated costs, expenditures and timelines which may have a material adverse effect on our business, financial condition, results of operations and cash flows.
5. We are yet to place orders for the capital expenditure requirements of our Subsidiary, Raneal Advanced Systems Private Limited. There is no assurance that we would be able to source such capital expenditure requirements in a timely manner or at commercially acceptable prices, which could adversely affect our expansion plans.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**

- A. A summary of outstanding litigation proceedings as on the date of the Red Herring Prospectus as disclosed in the section titled “*Outstanding Litigation and Material Developments*” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below.

Entity/ individual	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved* (₹ in million)
<i>Company</i>						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	1	Nil	Nil	Nil	1.41
<i>Directors</i>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<i>Promoters</i>						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<i>Subsidiary</i>						
By Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil

- B. Brief details of top 5 material outstanding litigation / legal proceedings initiated against the Company and amount involved: Nil
- C. Disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any: None.
- D. Brief details of outstanding criminal proceedings against the Promoters: None.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” on page 333 of the RHP.

**ANY OTHER IMPORTANT INFORMATION AS PER BOOK RUNNING LEAD MANAGERS/COMPANY - NIL**

**DECLARATION BY OUR COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. We further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

**DECLARATION BY THE SELLING SHAREHOLDERS**

Each of the Promoter Selling Shareholders, confirms that all statements, disclosures and undertakings made or confirmed by it in this Red Herring Prospectus, solely or specifically in relation to itself and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct. Each of the Promoter Selling Shareholders assumes no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Promoter Selling Shareholder or any other person(s) in this Red Herring Prospectus.