



DCX SYSTEMS LIMITED

Our Company was incorporated as "DCX Cable Assemblies Private Limited" on December 16, 2011, at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka ("RoC"). Thereafter, the name of our Company was changed to "DCX Systems Private Limited" pursuant to a special resolution dated November 24, 2021, passed by our shareholders and a fresh certificate of incorporation consequent upon change of name issued by the RoC on January 3, 2022. Pursuant to the conversion of our Company to a public limited company, in accordance with the special resolution passed by our Shareholders dated February 2, 2022, the name of our Company was changed to "DCX Systems Limited" and the RoC issued a fresh certificate of incorporation on February 18, 2022. For details of the change in the name and the registered office of our Company, see "History and Certain Corporate Matters" on page 198 of the prospectus dated November 4, 2022 (the "Prospectus").

Corporate Identity Number: U31908KA2011PLC061686; Registered and Corporate Office: Aerospace SEZ Sector, Plot Numbers 29, 30 and 107, Hitech Defence and Aerospace Park, Kavadasanahalli Village, Devanahalli Taluk, Bengaluru Rural - 562110 Karnataka, India; Tel: +91 80 6711 9555; Contact Person: Nagaraj R Dhavaskar (Company Secretary, Legal and Compliance Officer); Tel: +91 80 6711 9555; E-mail: cs@dcxindia.com; Website: www.dcxindia.com

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

Our Company has filed the Prospectus with the RoC on November 5, 2022 and the Equity Shares are proposed to be listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and trading will commence on or about Friday, November 11, 2022.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 24,154,587 EQUITY SHARES OF FACE VALUE OF ₹2.00 EACH ("EQUITY SHARES") OF DCX SYSTEMS LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 207 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 205 PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING TO ₹ 5,000.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF 19,323,671 EQUITY SHARES BY OUR COMPANY AGGREGATING TO ₹4,000.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 4,830,916 EQUITY SHARES AGGREGATING TO ₹ 1,000.00 MILLION COMPRISING AN OFFER FOR SALE OF 2,415,458 EQUITY SHARES AGGREGATING TO ₹ 500.00 MILLION BY NCBG HOLDINGS INC., 2,415,458 EQUITY SHARES AGGREGATING TO ₹ 500.00 MILLION BY VNG TECHNOLOGY PRIVATE LIMITED (COLLECTIVELY, THE "PROMOTER SELLING SHAREHOLDERS", AND EACH INDIVIDUALLY, AS A "PROMOTER SELLING SHAREHOLDER" AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE PROMOTER SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). THE OFFER CONSTITUTES 24.97% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OFFER PRICE: ₹ 207 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH
ANCHOR INVESTOR OFFER PRICE: ₹ 207 PER EQUITY SHARE
THE OFFER PRICE IS 103.50 TIMES THE FACE VALUE OF THE EQUITY SHARES

RISKS TO INVESTORS

- The three BRLMs associated with the Offer have handled 58 public issues in the Fiscal 2023, Fiscal 2022, Fiscal 2021 and Fiscal 2020, out of which 25 issues closed below the offer price on the listing date.
- The Price/Earnings ratio based on diluted EPS for Fiscal 2022 for our Company at offer price is 22.52 as compared to the average industry peer group PE ratio as on the date of Prospectus is 62.94.
- Weighted Average Return on Net Worth for Fiscals 2022, 2021, and 2020 is 58.41%. For further details, see "Basis for the Offer Price" beginning on page 112 of the Prospectus.
- Average cost of acquisition of Equity Shares for the Promoter and Promoter Selling Shareholders ranges from ₹ 0.50 per Equity Share to ₹ 7.05 per Equity Share and Offer Price is ₹ 207 per Equity Share.
- 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.
- Details of weighted average cost of acquisition of all Equity Shares transacted in last three years and one year preceding the date of the Prospectus:

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in ₹)
Last 1 year	7.08	29.22	₹ Nil* - ₹. 207*
Last 3 years	9.41	22.00	₹ Nil* - ₹. 207*

Note: * The acquisition price of ₹0.00 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 of the Prospectus.
* 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.

BID/OFFER PERIOD:

OPENED ON: MONDAY, OCTOBER 31, 2022

CLOSED ON: WEDNESDAY, NOVEMBER 2, 2022

ANCHOR INVESTOR PERIOD WAS: FRIDAY, OCTOBER 28, 2022

The Offer has been made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75.00% of the Offer was made available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"). Our Company, in consultation with the BRLMs, allocated 60.00% of the QIB Portion to Anchor Investors on a discretionary basis (the "Anchor Investor Portion"), out of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only, and the Net QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. However, if the aggregate demand from Mutual Funds was less than 5.00% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion were added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15.00% of the Offer was made available for allocation to Non-Institutional Bidders, of which (a) one third of such portion was made available for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion was made available for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories could be allocated to applicants in the other sub-category of non-institutional investors and not more than 10.00% of the Offer was made available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price. All Bidders, other than Anchor Investors, were required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process, providing details of their respective bank accounts (including UPI ID in case of UPI Bidders) in which the Bid Amount were blocked by the SCBs or by the Sponsor Banks under the UPI mechanism, as applicable, to participate in the Offer. Anchor Investors were not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" beginning on page 360 of the Prospectus.

The bidding for Anchor Investor opened and closed on Friday, October 28, 2022. The company received 12 applications from 11 anchor investors for 1,13,52,672 equity shares. The Anchor investor price was finalized at ₹ 207 per Equity Share. A total of 10,869,564 Equity Shares were allocated under the Anchor Investor Portion aggregating to ₹ 2,249,999,748.00.

The Offer received 18,51,851 applications for 1,02,69,91,368 Equity Shares (prior to technical rejections) resulting in 42,51,74 shares subscription. The details of the applications received in the Offer from various categories are as under: (before technical rejections):

Sr. No.	Category	No. of Applications Applied	No. of Equity Shares	Equity Shares Reserved as per Prospectus	No. of times Subscribed	Amount (₹)
A.	Retail Individual Investors	17,81,794	15,91,75,944	24,15,458	65,8989	32,95,14,43,536.00
B.	HNI (Upto ₹10 lacs)	49,732	5,34,51,936	12,07,729	44,2582	11,06,39,75,256.00
C.	HNI (Above ₹10 lacs)	20,203	11,61,07,128	24,15,459	48,0684	24,03,41,10,696.00
D.	Qualified Institutional Bidders (excluding Anchor Investors)	110	68,69,03,688	72,46,377	94,7927	1,42,18,90,63,416.00
E.	Anchor Investors	12	1,13,52,672	1,08,69,564	1,0444	2,35,00,03,104.00
Total		18,51,851	1,02,69,91,368	2,41,54,587	42,5174	2,12,58,85,96,008.00

Final Demand

A summary of the final demand as at different Bid prices is as under:

Bid Price	No. of Equity Shares	% to Total	Cumulative Total	Cumulative % of Total
197	7,17,192	0.07	7,17,192	0.07
198	79,272	0.01	7,96,464	0.08
199	49,464	0.00	8,45,928	0.08
200	4,13,064	0.04	12,58,992	0.12
201	67,392	0.01	13,26,384	0.13
202	1,04,472	0.01	14,30,856	0.14
203	69,480	0.01	15,00,336	0.14
204	53,352	0.01	15,53,688	0.15
205	3,47,904	0.03	19,01,592	0.18
206	2,72,232	0.03	21,73,824	0.21
207	88,05,34,080	84.07	88,27,07,904	84.28
9999	16,46,22,528	15.72	1,04,73,30,432	100.00
TOTAL	1,04,73,30,432	100.00		

The Basis of Allotment was finalized in consultation with the Designated Stock Exchange, being BSE, on November 7, 2022.

A. Allotment to Retail Individual Bidders (after technical rejections) (including ASBA Applications)

The Basis of Allotment to the Retail Individual Bidders, who have bid at the Cut-Off Price or at the Offer Price of ₹ 207 per Equity Share, was finalized in consultation with BSE. This category has been subscribed to the extent of 63.70 times. The total number of Equity Shares Allotted in Retail Portion is 24,15,458 Equity Shares to 33,548 successful Retail Individual Bidders. The category-wise details of the Basis of Allotment are as under:

Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
72	15,90,835	92.27	11,45,40,120	74.44	72	8:411	22,28,832
144	70,137	4.07	1,00,99,728	6.56	72	8:411	98,280
216	20,383	1.18	44,02,728	2.86	72	8:411	28,512
288	8,732	0.51	25,14,816	1.63	72	8:411	12,240
360	7,963	0.46	28,66,680	1.86	72	8:411	11,160
432	3,389	0.20	14,64,048	0.95	72	8:411	4,752
504	4,046	0.23	20,39,184	1.33	72	8:411	5,688
576	1,083	0.06	6,23,808	0.41	72	21:1083	1,512
648	655	0.04	4,24,440	0.28	72	13:655	936
720	3,282	0.19	23,63,040	1.54	72	8:411	4,608
792	576	0.03	4,56,192	0.30	72	11:576	792
864	661	0.04	5,71,104	0.37	72	13:661	936
936	12,286	0.71	1,14,99,696	7.47	72	8:411	17,208
2592 Allottees from Serial no. 2 to 13 Additional 1(one) share						2:2592	2
TOTAL	17,24,028	100.00	15,38,65,584	100.00			24,15,458

B. Allotment to Non-Institutional Bidders (Upto ₹10 lacs)

The Basis of Allotment to the Non-Institutional Bidders, who have bid at the Offer Price of ₹ 207 per Equity Share, was finalized in consultation with BSE. The Non-Institutional Portion has been subscribed to the extent of 43.36 times. The total number of Equity Shares Allotted in this category is 24,17,29 Equity Shares to 1,198 successful Non-Institutional Bidders. The category-wise details of the Basis of Allotment are as under: (Sample)

Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
1,008	45,270	92.81	4,56,32,160	87.14	1,008	10:407	11,20,896
1,080	1,044	2.14	11,27,520	2.15	1,009	26:1044	26,234
1,152	404	0.83	4,65,408	0.89	1,009	10:404	10,090
1,224	138	0.28	1,68,912	0.32	1,009	3:138	3,027
1,296	75	0.15	97,200	0.19	1,009	2:75	2,018
2,736	10	0.02	27,360	0.05	1,009	0:10	0
2,808	18	0.04	50,544	0.10	1,009	1:18	1,009
2,880	59	0.12	1,69,920	0.32	1,009	1:59	1,009
2,952	7	0.01	20,664	0.04	1,009	0:7	0
3,024	32	0.07	96,768	0.18	1,009	1:32	1,009
4,608	6	0.01	27,648	0.05	1,009	0:6	0
4,680	20	0.04	93,600	0.18	1,009	1:20	1,009
4,752	29	0.06	1,37,808	0.26	1,009	1:29	1,009
4,824	248	0.51	11,96,352	2.28	1,009	6:248	6,054
All allottees from Serial no. 2 to 54 for 1 (one) additional share						1	59:86
TOTAL	48,779	100	5,23,69,128	100			12,07,729

C. Allotment to Non-Institutional Bidders (Above ₹10 lacs)

The Basis of Allotment to the Non-Institutional Bidders, who have bid at the Offer Price of ₹ 207 per Equity Share, was finalized in consultation with BSE. The Non-Institutional Portion has been subscribed to the extent of 47.38 times. The total number of Equity Shares Allotted in this category is 24,15,459 Equity Shares to 2,396 successful Non-Institutional Bidders. The category-wise details of the Basis of Allotment are as under: (Sample)

Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
4,896	17,973	90.16	8,79,95,808	76.88	1,008	25:208	21,77,280
4,968	284	1.42	14,10,912	1.23	1,008	34:284	34,272
5,040	447	2.24	22,52,880	1.97	1,008	54:447	54,432
5,112	61	0.31	3,11,832	0.27	1,008	7:61	7,056
5,184	63	0.32	3,26,592	0.29	1,008	8:63	8,064
6,048	5	0.03	30,240	0.03	1,008	1:5	1,008
6,120	10	0.05	61,200	0.05	1,008	1:10	1,008
6,192	22	0.11	1,36,224	0.12	1,008	3:22	3,024
6,480	10	0.05	64,800	0.06	1,008	1:10	1,008
96,552	5	0.03	4,82,760	0.42	1,008	1:5	1,008
2,88,000	1	0.01	2,88,000	0.25	1,008	0:1	0
2,89,800	1	0.01	2,89,800	0.25	1,008	0:1	0
3,62,304	1	0.01	3,62,304	0.32	1,008	0:1	0
4,83,048	1	0.01	4,83,048	0.42	1,008	0:1	0
6,72,912	1	0.01	6,72,912	0.59	1,008	0:1	0
7,24,608	1	0.01	7,24,608	0.63	1,008	0:1	0
9,66,240	1	0.01	9,66,240	0.84	1,008	0:1	0
All applicants from Serial no. 1001 to 1207 for 1 (one) lot of 1008 shares						35:325	35,280
2396 Allottees from Serial no. 1 to 1207 Additional 1(one) share						291:2396	291
TOTAL	19,935	100	11,44,60,704	100			24,15,459

D. Allotment to QIBs

Allotment to QIBs, who have Bid at the Offer Price of ₹ 207 per Equity Share, has been done on a proportionate basis in consultation with BSE. This category has been subscribed to the extent of 90.99 times of QIB Portion. As per the SEBI ICDR Regulations, Mutual Funds were Allotted 5% of the Equity Shares of QIB Portion available i.e., 3,62,319 Equity Shares and other QIBs and unsatisfied demand of Mutual Funds were Allotted the remaining available Equity Shares i.e., 68,84,058 Equity Shares on a proportionate basis. The total number of Equity Shares Allotted in the QIB Portion is 72,46,377 Equity Shares, which were allotted to 108 successful QIB Bidders. The category-wise details of the Basis of Allotment are as under:

Category	FIS/Banks	MF's	IC's	NBFC's	AIF	FPC	VC's	TOTAL
QIB	31,16,868	5,65,055	1,25,537	14,88,810	3,94,054	15,56,053	-	72,46,377

E. Allotment to Anchor Investors

The Company, in consultation with the BRLMs, has allocated 1,08,69,564 Equity Shares to 11 Anchor Investors (through 12 Applications) at the Anchor Investor Offer Price of ₹ 207 per Equity Share in accordance with the SEBI ICDR Regulations. This represents 60% of the QIB Portion.

Category	FIS/Banks	MF's	IC's	NBFC's	AIF	FPC	Others	Total
Anchor investors	-	36,23,112	-	-	49,27,477	23,18,975	-	1,08,69,564

The Board of Directors of our Company on November 7, 2022 has taken on record the Basis of Allotment of Equity Shares approved by the Designated Stock Exchange, being BSE and has allotted the Equity Shares to various successful Bidders. The Allotment Advice-Cum Refund intimations and/or notices are being dispatched to the address of the investors as registered with the depositories. Further, the instructions to the Self Certified Syndicate Banks for unblocking of funds and transfer to Public Offer Account have been issued on November 7,