
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

4 April 2022



Securities and Exchange Board of India

Southern Regional Office
Overseas Towers, 7th Floor
756 - L, Anna Salai
Chennai – 600 002
Tamil Nadu, India

Dear Sir/ Madam:

Sub: INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2.00 EACH (“EQUITY SHARES”) OF DCX SYSTEMS LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE “OFFER PRICE”) AGGREGATING UP TO ₹6,000 MILLION (THE “OFFER”) COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY THE COMPANY AGGREGATING UP TO ₹5,000.00 MILLION (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,000.00 MILLION COMPRISING AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹500.00 MILLION BY VNG TECHNOLOGY PRIVATE LIMITED AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹500.00 MILLION BY NCBG HOLDINGS INC (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 Company and the Promoter Selling Shareholders are proposing to undertake the Offer, in compliance with Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”), at such price as may be determined through the book building process, in accordance with the SEBI ICDR Regulations and pursuant to Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957, as amended (the “SCRR”) read with Regulation 31 of the SEBI ICDR Regulations, the Companies Act, 2013, as amended, and other applicable laws. The Company may, in consultation with the Lead Managers, consider issuing such number of securities on a private placement basis for cash consideration aggregating up to ₹500 million (the “Pre-IPO Placement”). The Company will, prior to filing with the Registrar of Companies, Karnataka at Bangalore (“RoC”), update the Red Herring Prospectus for details of any Pre-IPO Placement, if undertaken.
- The Company and the Promoter Selling Shareholders have appointed Edelweiss Financial Services Limited and Axis Capital Limited as the global coordinators and book running lead managers to the Offer (“GCBRLMs”), and Saffron Capital Advisors Private Limited as the Book Running Lead Managers to the Offer (the “BRLM”, and together with the GCBRLMs, the “Lead Managers”).
- We are filing the draft red herring prospectus dated 4 April 2022 (the “Draft Red Herring Prospectus” or the “DRHP”) in relation to the Offer for your consideration and observations. In connection with the filing of the DRHP with the Securities and Exchange Board of India (“SEBI”), we hereby submit the following:
 - The soft copy of the DRHP in “.PDF” format signed and executed by (i) all the directors of the Company

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

- (“Directors”) and the Chief Financial Officer; (ii) the authorized signatory or power of attorney holder, as the case may be of the Promoter Selling Shareholders, accompanied by this letter and all annexures hereto, submitted by way of an e-mail to the SEBI at cfddl@sebi.gov.in, in accordance with the instructions issued by the SEBI on 17 March 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD”. Such documents have also been uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated 19 January 2018.
- (b) A certificate from the Lead Managers in accordance with Regulation 25(2)(a) of the SEBI ICDR Regulations confirming that the Company, the Promoter Selling Shareholders and the Lead Managers have entered into an offer agreement dated 4 April 2022 (including the statement of *inter se* allocation of responsibilities of the Lead Managers) in accordance with Regulation 23(5) of the SEBI ICDR Regulations and the format specified in Schedule II of the SEBI ICDR Regulations (**Annexure I**).
- (c) A due diligence certificate dated 4 April 2022 signed by the Lead Managers in accordance with Regulation 25(2)(b) of the SEBI ICDR Regulations (**Annexure II**), along with (i) a due diligence process note as required under Form A of Schedule V of the SEBI ICDR Regulations (**Annexure II-A**); and (ii) a detailed checklist indicating compliances of the disclosures in the DRHP with the applicable provisions of the SEBI ICDR Regulations (**Annexure II-B**), which are annexed to the due diligence certificate.
- (d) We submit that the Company will make the payment of ₹6,000,000 (Rupees six million only) through the bank account number mentioned in the challan to be generated on the SEBI’s intermediary portal. Such payment shall be towards DRHP filing fees as provided under Schedule III of the SEBI ICDR Regulations. As the Offer Price of Equity Shares will be determined through the Book Building Process, and pursuant to Schedule XVI of the SEBI ICDR Regulations, we are unable to ascertain the actual Offer size at this stage. Accordingly, this filing fee is based on an estimate of the amount to be raised in the Offer, which is ₹ 6,000 million. This should not be construed as the final Offer size for the purpose of Schedule XVI of the SEBI ICDR Regulations.

4. In connection with the Offer, please note the following:

(a) **Unified Payments Interface (“UPI”)**

The Offer is currently proposed to be undertaken pursuant to the processes and procedures under phase II of UPI as prescribed under SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated 28 June 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated 26 July 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated 8 November 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated 30 March 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated 16 March 2021 and SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated 2 June 2021. The DRHP has been drafted in accordance with phase II of the UPI framework, and also reflects additional measures for streamlining the process of initial public offers, as prescribed by SEBI in its abovementioned circular dated 16 March 2021. In the event there are any changes in the applicable processes prescribed by SEBI with regard to

		
Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641	Axis Capital Limited 1 st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241	Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711

implementation of UPI or any additional guidelines are issued by SEBI in relation to phase III, the Company will suitably update the Red Herring Prospectus (“RHP”) and the Prospectus.



(b) Pre – IPO Placement

The Company, in consultation with the Lead Managers, may consider a Pre - IPO Placement for an aggregate amount not exceeding ₹500.00 million, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. Further, appropriate disclosures in relation to the Pre-IPO Placement, including in section titled the ‘Capital Structure’ will also be updated in the Red Herring Prospectus pursuant to the Pre-IPO Placement.

(c) Confirmations and information in relation to the Company, its Subsidiaries and Group Companies

Set out below are the confirmations and information in relation to the Company, Promoter, members of the Promoter Group, Group Companies and the Subsidiary in terms of the SEBI directive dated 12 March 2020 issued to the Association of Investment Bankers of India (“AIBI”):

S. No.	Particulars	Response
1.	Whether the Company is registered with SEBI or any other financial regulatory body like RBI/IRDA/ etc., in any capacity. If yes, provide details.	The Company is not registered with SEBI or any other financial regulatory body in any capacity.
2.	List of Promoters / Promoter Group companies /Group Companies/ Subsidiaries registered with SEBI in any capacity along with registration details.	None of the Company’s Subsidiary, Promoters or Promoter Group entities or Group Companies are registered with SEBI in any capacity.
3.	List of Promoters / Promoter Group companies/ Group Companies/ Subsidiaries registered with any other financial regulatory body like RBI/IRDA/ etc., in any capacity along with registration details.	None of the Subsidiary, Promoters, companies forming a part of the Promoter Group or Group Companies are registered with any financial regulatory body such as RBI/IRDA/etc., in any capacity.
4.	If any debt securities of Company /Group Companies are listed. If yes, the following may be provided: a.Details of the debt securities listed along with the name of the exchange on which the same are listed. b.Whether disclosure pertaining to the same made in DRHP and relevant	Not applicable

 Edelweiss <small>ideas create. values protect.</small>	 AXIS CAPITAL	 SAFFRON <small>energising ideas</small>
Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641	Axis Capital Limited 1 st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241	Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711

S. No.	Particulars	Response
	page no. and section in which disclosure made.	

- (d) Further to the SEBI directive to the AIBI dated 14 June 2021, based on confirmations received, it is confirmed that neither the Company, nor any of its Promoters or Directors have been declared “*fraudulent borrowers*” by the lending banks or financial institution or consortium, in terms of RBI master circular dated 1 July 2016.
- (e) In terms of the SEBI directive dated June 29, 2021 issued to the AIBI, we submit that, none of the Company, its Promoters, the members of the Promoter Group and Group Companies have committed any securities market violations.
- (f) Further to the SEBI directive issued to the AIBI, the price at which the Equity Shares were acquired in the last three years by the Promoters and the Promoter Selling Shareholders has been disclosed in the DRHP in the section “*Summary of the Offer Document*” on page 17 as well as in the section “*Capital Structure*” on page 78. This information has been certified by NBS & Co, the Statutory Auditor of the Company. None of the Shareholders have a right to nominate Directors and no Equity Shares have been allotted to any member of the Promoter Group (other than the Promoters) in last three years preceding the date of the Draft Red Herring Prospectus.
- (g) Based on SEBI’s directive to the AIBI dated 22 October 2021, the Company shall provide access to material documents through online means. The Company shall ensure that copies of the material documents and material contracts to the Offer, as disclosed in the DRHP and as will be updated in the Red Herring Prospectus, shall be made available from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date for inspection, in compliance with the requirements of the SEBI ICDR Regulations.
- (h) The DRHP reflects the disclosure requirements prescribed pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Amendment Regulations, 2022, as applicable on the date of filing of the DRHP including provisions which will be applicable to issues opening on or after 1 April 2022.
- (i) The Company will be obtaining the SCORES authentication as directed by SEBI pursuant to its directive dated 27 July 2021 and shall comply with the SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated 14 October 2021 and SEBI circular (CIR/OIAE/1/2014) dated 18 December 2014 in relation to redressal of investor grievances through SCORES

The Company has undertaken to apply to BSE Limited and National Stock Exchange of India Limited (together, the “**Stock Exchanges**”) for obtaining in-principle approvals for listing of the Equity Shares. In compliance with and pursuant to the SEBI ICDR Regulations, the Company shall appoint the ‘Designated Stock Exchange’ prior to filing of the Red Herring Prospectus with the RoC.

		
Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641	Axis Capital Limited 1 st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241	Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711

Further, please note that the disclosures in the DRHP shall be suitably updated to reflect the Company's latest restated financial statements and any other developments, as may be necessary, at the time of filing of the Red Herring Prospectus with RoC by the Company.

All capitalised terms used herein and not specifically defined have the same meaning as ascribed to such terms in the DRHP.

We request you to kindly provide your observations on the DRHP.

Should you require any further information, please contact any of the following officials of Edelweiss Financial Services Limited:

Contact Person	Mobile No	E-mail
Neetu Ranka	+91 9819838110	Neetu.ranka@edelweissfin.com
Lokesh Shah	+91 8850927407	Lokesh.shah@edelweissfin.com

Encl: Annexures as above

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

This signature page forms an integral part of the letter to be submitted to SEBI in connection with the proposed IPO of DCX Systems Limited

For Edelweiss Financial Services Limited

Authorized Signatory

Name: Neetu Ranka

Designation: Director

Place: Mumbai

Contact Number: +91 9819838110

Email: Neetu.ranka@edelweissfin.com

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

This signature page forms an integral part of the letter to be submitted to SEBI in connection with the proposed IPO of DCX Systems Limited

For Axis Capital Limited



Authorized Signatory

Name: Pavan Naik

Designation: AVP

Place: Mumbai

Contact Number: + 91 22 4325 2183

Email: pavan.naik@axiscap.in

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

This signature page forms an integral part of the letter to be submitted to SEBI in connection with the proposed IPO of DCX Systems Limited

For Saffron Capital Advisors Private Limited




Authorized Signatory

Name: Gaurav Khandelwal

Designation: Vice President

Place: Mumbai

Contact Number: +91 22 4973 0394

Email: gaurav@saffronadvisor.com

		
<p>Edelweiss Financial Services Limited 6h Floor, Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

ANNEXURE I

4 April 2022

Securities and Exchange Board of India

Southern Regional Office
Overseas Towers, 7th Floor
756 - L, Anna Salai
Chennai – 600 002
Tamil Nadu, India

Dear Sir/ Madam:

Sub: INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2.00 EACH (“EQUITY SHARES”) OF DCX SYSTEMS LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE “OFFER PRICE”) AGGREGATING UP TO ₹6,000 MILLION (THE “OFFER”) COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY THE COMPANY AGGREGATING UP TO ₹5,000.00 MILLION (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,000.00 MILLION COMPRISING AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹500.00 MILLION BY VNG TECHNOLOGY PRIVATE LIMITED AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹500.00 MILLION BY NCBG HOLDINGS INC (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”).

Pursuant to Regulation 25(2)(a) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), we hereby confirm that we have entered into an offer agreement dated 4 April 2022 (which includes, amongst other things, the statement of inter-se allocation of the responsibilities of the Lead Managers) with the Company and the Promoter Selling Shareholders in connection with the Offer in accordance with Regulation 23(5) of SEBI ICDR Regulations and the format prescribed under Schedule II of the SEBI ICDR Regulations.

All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the DRHP.

Thanking you,

Yours sincerely

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

This signature page forms an integral part of the letter to be submitted to SEBI in connection with the proposed IPO of DCX Systems Limited

For Edelweiss Financial Services Limited

Authorized Signatory

Name: Neetu Ranka

Designation: Director

Place: Mumbai

Contact Number: +91 9819838110

Email: Neetu.ranka@edelweissfin.com

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

This signature page forms an integral part of the letter to be submitted to SEBI in connection with the proposed IPO of DCX Systems Limited

For Axis Capital Limited



Authorized Signatory

Name: Pavan Naik

Designation: AVP

Place: Mumbai

Contact Number: + 91 22 4325 2183

Email: pavan.naik@axiscap.in

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

This signature page forms an integral part of the letter to be submitted to SEBI in connection with the proposed IPO of DCX Systems Limited

For Saffron Capital Advisors Private Limited




Authorized Signatory

Name: Gaurav Khandelwal

Designation: Vice President

Place: Mumbai

Contact Number: +91 22 4973 0394

Email: gaurav@saffronadvisor.com

 <p>Edelweiss Financial Services Limited 6h Floor, Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	 <p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	 <p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>
---	--	---

Annexure II

4 April 2022

Securities and Exchange Board of India

Southern Regional Office
Overseas Towers, 7th Floor
756 - L, Anna Salai
Chennai – 600 002
Tamil Nadu, India

Dear Sir/ Madam:

Sub: INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2.00 EACH (“EQUITY SHARES”) OF DCX SYSTEMS LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE “OFFER PRICE”) AGGREGATING UP TO ₹6,000 MILLION (THE “OFFER”) COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY THE COMPANY AGGREGATING UP TO ₹5,000.00 MILLION (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,000.00 MILLION COMPRISING AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹500.00 MILLION BY VNG TECHNOLOGY PRIVATE LIMITED AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹500.00 MILLION BY NCBG HOLDINGS INC (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”).

We, Edelweiss Financial Services Limited, Axis Capital Limited, and Saffron Capital Advisors Private Limited (together the “Lead Managers”) confirm that:

1. We have examined various documents including those relating to litigation, including commercial disputes, intellectual property rights disputes, disputes with collaborators etc. and other material while finalising the draft red herring prospectus dated 4 April 2022 (“DRHP”).
2. On the basis of such examination and discussions with the Company, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Offer, price justification, contents of the documents and other papers furnished by the Company and the Promoter Selling Shareholders, we confirm that:
 - (a) the DRHP filed with the Securities and Exchange Board of India (“SEBI”) is in conformity with the documents, materials and papers which are material to the Offer;
 - (b) all material legal requirements relating to the Offer as specified by SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and
 - (c) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Offer and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) and other applicable legal requirements.
3. Besides ourselves, all intermediaries named in the DRHP are registered with SEBI and that till date, such registration is

 <p>Edelweiss Financial Services Limited 6h Floor, Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM000010650 CIN: L99999MH1995PLC094641</p>	 <p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	 <p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>
---	--	--

valid. **Complied with and noted for compliance**

4. We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. **Noted for compliance**
5. Written consent from the Promoters has been obtained for inclusion of their Equity Shares as part of the promoters' contribution subject to lock-in and the Equity Shares proposed to form part of the promoters' contribution subject to lock-in shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing the DRHP with SEBI until the date of commencement of lock-in period as stated in the DRHP. **Complied with and noted for compliance.**
6. All applicable provisions of the SEBI ICDR Regulations, which relate to Equity Shares ineligible for computation of promoters' contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP. **Complied with and noted for compliance.**
7. All applicable provisions of the SEBI ICDR Regulations which relate to receipt of promoters' contribution prior to opening of the Offer, shall be complied with. Arrangements have been made to ensure that the promoters' contribution shall be received at least one day before the opening of the Offer and that the auditors' certificate to this effect shall be duly submitted to SEBI. We further confirm that arrangements have been made to ensure that the promoters' contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Offer. **Not applicable.**
8. Necessary arrangements shall be made to ensure that the monies received pursuant to the Offer are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the Stock Exchanges, and that the agreement entered into between the Bankers to the Offer and the Company specifically contains this condition. **Noted for compliance.**
9. The existing business as well as any new business of the issuer for which the funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association or other charter of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. **Complied with to the extent applicable.**
10. Following disclosures have been made in the DRHP:
 - (a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company, excluding SR equity shares, where the Company has outstanding SR equity shares **Complied with and noted for compliance. There are no SR equity shares issued by the Company,** and
 - (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by SEBI. **Complied with**
11. We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. **Noted for compliance**
12. If applicable, the Company is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of the SEBI ICDR Regulations. **Not applicable**

We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business

		
<p>Edelweiss Financial Services Limited 6h Floor, Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

of the Company, the risks in relation to the business and that the related party transactions entered into for the period disclosed in the DRHP have been entered into by the Company in accordance with applicable laws. **Please refer to the Due Diligence Process Note enclosed as Annexure II-A to this certificate.**

We enclose a checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any. **Please refer to Annexure II-B of this certificate.**

All capitalised terms used herein and not specifically defined have the same meaning as ascribed to such terms in the DRHP.

Thanking you,

Encl.: Annexures as above

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

This signature page forms an integral part of the letter to be submitted to SEBI in connection with the proposed IPO of DCX Systems Limited

For Edelweiss Financial Services Limited

Authorized Signatory

Name: Neetu Ranka

Designation: Director

Place: Mumbai

Contact Number: +91 9819838110

Email: Neetu.ranka@edelweissfin.com

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

This signature page forms an integral part of the letter to be submitted to SEBI in connection with the proposed IPO of DCX Systems Limited

For Axis Capital Limited



Authorized Signatory

Name: Pavan Naik

Designation: AVP

Place: Mumbai

Contact Number: + 91 22 4325 2183

Email: pavan.naik@axiscap.in

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

This signature page forms an integral part of the letter to be submitted to SEBI in connection with the proposed IPO of DCX Systems Limited

For Saffron Capital Advisors Private Limited




Authorized Signatory

Name: Gaurav Khandelwal

Designation: Vice President

Place: Mumbai

Contact Number: +91 22 4973 0394

Email: gaurav@saffronadvisor.com

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

ANNEXURE II-A

Due diligence process note:

We, the Lead Managers have carried out due diligence on the Company for the purposes of complying with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) and other applicable laws, and to the extent that it is customary for initial public offerings of this nature in India, along with other professionals and experts engaged in this Offer. All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the draft red herring prospectus dated 4 April 2022 (“DRHP”).

The due diligence process carried out by us and the Legal Counsels (defined below) commenced with interactions with a kick – off meeting with the Individual Promoter, the Whole – time Director, the Key Managerial Personnel and other members of the senior management of the Company to gain an understanding of the business of the Company, key risks involved, the background of the Promoters and financial overview, amongst other matters. In this regard, we provided the Company with due diligence questionnaires and information requisition lists prepared in consultation with the Legal Counsels (defined below). In response to the questionnaires and the information requisition lists, the Company provided us with supporting documents for review and diligence and gave us clarifications and explanations for our queries. In order to facilitate such review, the Company set up a virtual data room where copies of such relevant documents were made available for undertaking the due diligence.

In the due diligence process, we were assisted by the Legal Counsels, the Auditors (defined below), the Chartered Engineer (defined below) and the Expert (defined below). In this regard, J Sagar Associates, appointed as the legal counsel to the Company as to Indian Law, Khaitan & Co, appointed as the legal counsel to the Lead Managers as to Indian Law, Hogan Lovells Lee & Lee appointed as the international legal counsel to the book running lead managers (together, the “Legal Counsels”), have assisted the Lead Managers in carrying out the due diligence and drafting of the DRHP in compliance with the SEBI ICDR Regulations, and advising the Lead Managers and the Company on other legal matters, in relation to the Offer. The Lead Managers were also assisted by the current statutory auditor of the Company, NBS & Co, Chartered Accountants (“Auditors”) for the financial related matters. In addition to the Restated Financial Statements, the Auditors have verified details and provided certifications with respect to certain other information included in the DRHP. The Auditors have also, assisted the Lead Managers by verifying and providing certifications in respect of certain operational information included in the DRHP (including, but not limited to, certifications on the Company’s key performance indicators). We were also assisted by Deepak N, Chartered Engineer, Proprietor of Nagson Engineers & Consultants (“Chartered Engineer”) with respect to certifications with respect to the Company’s manufacturing facility. The Company has also placed reliance on the report titled ‘Report on Techno Economic Viability Study of Proposed Facility for Electronics Manufacturing Services by Raneal Advanced Systems Private Limited’ dated 23 March 2022, commissioned by them for an agreed fee and issued by RBSA Valuation Advisors LLP (“RBSA or Expert”, and such report, the “RBSA Report”) for disclosures in relation to one of the objects of the Offer relating to the setting up of a project through the Subsidiary.

The Statutory Auditor, the Expert, and the Chartered Engineer have consented to be named as an expert, in terms of the Companies Act, 2013, in the DRHP and such consents have not been withdrawn as at the date of filing of the DRHP with the SEBI.

The Company has placed reliance on the report titled “The Evolving Defence Technology Industry Base and Opportunities in the Defence Electronics Segment” dated 23 March 2022, commissioned by them for an agreed fee and issued by Frost & Sullivan (India) Private Limited (“F&S” and such report, the “F&S Report”) for disclosures in relation to industry information in the DRHP. Further, the Company has received a written consent from F&S dated 29 March 2022, to include extracts of the F&S Report in the DRHP, Red Herring Prospectus and Prospectus. The F&S Report has been commissioned and paid for

 <p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	 <p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	 <p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>
--	--	--

by the Company exclusively for the purposes of the Offer.

1. Business and Commercial Diligence

The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending transaction related physical meetings, calls and virtual meetings to understand the business of the Company, industry, history of the Company, its Subsidiary, and other related matters. The discussions were attended by the Individual Promoter and the senior management of the Company along with respective representatives of the Legal Counsels and representatives of Lead Managers. A broad overview of the business of the Company and its Subsidiary, industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure, and financial statements and its shareholding pattern was presented to us and the Legal Counsels followed by interactive discussions;
- (b) Regularly interacting with the senior management of the Company, including the Individual Promoter, the senior personnel from the secretarial, legal and finance departments such as the Company Secretary and Compliance Officer and the Chief Financial Officer, for the purpose of understanding the business, the risks involved and the financial overview of the Company, amongst other matters. The Auditors had also participated in some of these discussions. These interactions included (i) due diligence calls, virtual drafting sessions and conference calls to discuss the disclosures in the DRHP; (ii) due diligence calls with the Auditors; (iii) seeking appropriate clarifications from the Company for key operational data, operational data and other information; (iv) bring down due diligence calls to receive updated information from the Company before filing the DRHP; (v) interactions with F&S, who the Company has commissioned to prepare a report about the industry it operates in; (vi) due diligence calls with the key customers and suppliers of the Company; and (vii) seeking appropriate certifications from the Company, Subsidiary, Directors, Key Managerial Personnel, Promoters, Promoter Group, Group Companies, and the Auditors. Further, we also interacted with the representatives of the Promoter Selling Shareholders to prepare disclosures in the DRHP in relation to the Promoter Selling Shareholders and their respective portions of the Offered Shares and obtained certifications in this regard. These interactions were conducted with an objective to assist the Company and the Promoter Selling Shareholders to prepare disclosures as required under the SEBI ICDR Regulations, the Companies Act, and other applicable laws with regard to the Offer. We expect these interactions and due diligence calls to continue until the closure of the Offer;
- (c) Requesting the Company to make available the due diligence documents in virtual data room or through e-mails and reviewing those documents along with the Legal Counsels, based on the requirements under the SEBI ICDR Regulations and other applicable laws, as is customary in such transactions and reviewing those documents along with the Legal Counsels, to comply with the diligence requirements as stipulated under the SEBI ICDR Regulations, and the other applicable laws, as is customary in such transactions ;
- (d) Obtaining and relying on certificates and formal representations and undertakings from the Company, Promoters, Promoter Group, Subsidiary, Directors, Promoter Selling Shareholders, Key Management Personnel, and Auditors;
- (e) Obtaining and relying on formal representations and undertakings from the Company and the Promoter Selling Shareholders in the Offer Agreement;
- (f) Interacting with the industry consultants, namely F&S and obtaining a consent from them for including extracts of report by independent industry sources, in support of certain disclosures included in the DRHP including doing customary due diligence calls with them;
- (g) Conducting a site – visit at the Company’s manufacturing facility;

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

- (h) Reviewing, together with the Legal Counsel, certain business – related documents, contracts and purchase orders pertaining to the business of the Company, on a sample basis;
- (i) For certain information, relying on management certificates from the Company for ensuring compliance with the SEBI ICDR Regulations; and
- (j) Obtaining circle-ups from the Auditors on financial information and certain finance related information included in the DRHP, and on certain key performance indicators, financial, non-financial, operational and other business related information of the Company mentioned in the DRHP and providing certifications with respect to certain other information included in the DRHP.

2. Industry Information

We have relied on industry and market data derived from F&S report prepared by F&S, which was commissioned for a fee and paid for by the Company for the purposes of confirming its understanding of the industry in connection with the Offer. The industry related information contained in certain sections of the DRHP, including “*Summary of the Offer Document*”, “*Risk Factors*” “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Result of Operations*”, have been included from the F&S Report. The F&S Report has been uploaded at the following page on the Company’s website: <https://dcxindia.com/investors/>.

3. Objects of the Offer

The Company proposes to utilize the Net Proceeds towards: (i) repayment/ prepayment, in full or part, of certain borrowings availed of by the Company; (ii) funding working capital requirements of the Company; and (iii) investment in the wholly owned Subsidiary, Raneal Advanced Systems Private Limited, to fund its capital expenditure expenses for setting up a project; and (iv) general corporate purposes. The Auditors vide their certificate dated 4 April 2022, have confirmed that the loans which are proposed to be repaid/prepaid by the Company from the Net Proceeds, have been utilized for the purposes for which such loans were availed. Further, Auditors also assisted us by verifying and providing certifications in respect of working capital requirements of the Company. We have also placed reliance on the RSBA Report for disclosures in relation to one of the objects of the Offer relating to the investment in the Subsidiary for capital expenditure towards setting up of a project. We have also obtained and verified quotations with respect to various machineries to be acquired for the purpose of setting up the aforementioned project to be set up by the Subsidiary.

4. Outstanding Litigation Proceedings and Material Creditors

We have disclosed outstanding litigation involving the Company on the basis of the legal requirements under the SEBI ICDR Regulations. There are no litigations involving the Directors, Subsidiary and Promoters.

Further, in accordance with the SEBI ICDR Regulations, the Board of Directors of the Company has adopted a policy on materiality which has been approved by the Board of Directors of the Company by a resolution dated 21 March 2022 (“**Materiality Policy**”). In terms of the Materiality Policy, any pending litigation involving the Company, the Subsidiary, the Promoters and the Directors, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals including outstanding action, and tax matters, would be considered ‘material’, (i) where the aggregate monetary claim made by or against the Company, Subsidiary, Directors or Promoters, in any such pending litigation, is in excess of ₹2.96 million (being 1% of the profit after tax of the Company for the last completed financial year covered in the Restated Financial Statements); or (ii) any such litigation wherein a monetary liability is not quantifiable, or which does not fulfil the

		
Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641	Axis Capital Limited 1 st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241	Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711

threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position, or reputation of the Company. Further, there are no disciplinary actions (including penalties) imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals immediately preceding the date of filing of the Draft Red Herring Prospectus. Moreover, pre-litigation notices (other than those threatening criminal action and those issued by governmental, statutory or regulatory authorities) received by the Company, Subsidiary, Promoters or Directors have not and shall not, be considered material until such time that the Company, Subsidiary or such Promoter or Director, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. There are no outstanding litigations involving the Group Companies which may have a material impact on the Company.

The Company has provided a consolidated statement along with the relevant supporting documents for litigation proceedings and taxation matters involving the Company and had confirmed that there are no litigation or taxation matters involving the Subsidiary. With respect to the litigation involving the Directors and Promoters, relevant certificates have been received from the Company's Subsidiary, Directors and Promoters, respectively, based on which appropriate disclosures or a negative confirmations, as the case may be, have been included in the DRHP. Further, we have had discussions with the management of the Company on the status of various pending cases involving the Company.

Further, in terms of the Materiality Policy, a creditor of the Company shall be considered to be a material creditor for the purpose of disclosure in the DRHP, if the outstanding dues to such a creditor exceeds 4.00% of the trade payables of the Company as at the end of the latest period included in the Restated Financial Statements, that is ₹43.63 million.

5. Financial Information of the Company

As a part of our diligence, we had virtual interactions and due diligence calls with the Auditors, discussions with the finance department of the Company, review of the Auditors' examination report and Auditors certificates, and other related documents. The Auditors have provided the examination report on the Restated Financial Statements of the Company which were prepared in accordance with the Companies Act, 2013, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised) 2019 issued by the Institute of Chartered Accountants of India for the Financial Years ended 31 March 2021, 31 March 2020 and 31 March 2019 and the nine month period ended 31 December 2021 and 31 December 2020. We reviewed the Auditors' examination report and obtained certifications with respect to certain financial information included in the DRHP from the Auditors. Further, the Auditors were required to review the financial information relating to the Company in the DRHP and have delivered a customary comfort letter and circle-ups to the Lead Managers confirming the accuracy of the financial information contained in the DRHP. The Auditors have also provided the statement of tax benefits which is included in the DRHP. Such comfort letter and certificates will be re-issued or brought down at certain future dates as the Offer moves forward.

In addition, all related party transactions have been disclosed in the manner required under Ind AS 24, as applicable, in the Restated Financial Statements of the Company included in the DRHP.

In addition, as per the requirements of the SEBI ICDR Regulations, the audited standalone financial statements of the Company for the last three financial years and the reports thereon have been uploaded by the Company at its website <https://dcxindia.com/investors/>.

The details of the borrowing availed by the Company and certain key terms are disclosed in the section Financial Indebtedness of the DRHP. The Lead Managers have also relied on a certificate from the Auditors to ascertain the

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

amount of outstanding borrowings of the Company as of 28 February 2022, as disclosed in the section “*Financial Indebtedness*” of the DRHP. The Company has also received consents from relevant lenders, granting it written consent to undertake the Offer and related corporate actions such as issue and allotment of the Equity Shares and change in the capital structure of the Company, among others. However, the consent from the State Bank of India is subject to certain terms and conditions.

6. Promoters, Promoter Group, Subsidiary, Group Companies, Promoter Selling Shareholders, Directors and Key Managerial Personnel of the Company

For the purposes of making certain disclosures with respect to the Promoters, Promoter Group, Subsidiary, Group Companies, Promoter Selling Shareholders, Directors and Key Management Personnel of the Company in the DRHP, we have obtained certifications from the relevant entities/persons.

Further, in relation to the educational qualifications, previous employment and professional experience of Directors and Key Managerial Personnel of the Company, we have relied on relevant transcripts, degree certificates and other back-ups. However, certain Directors and Key Managerial Personnel of our Company were unable to provide copies of the degrees pertaining to their educational qualifications. Therefore, we have relied on the information being provided by these individuals in their respective standard certificates, the statement of marks and provisional certificates where available and a risk factor in relation to the same has been disclosed in the DRHP.

In addition, we have received confirmation from the Company, the Promoter Selling Shareholders and Directors stating that they have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, we received confirmations from the Company and Directors that they have not been identified as wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations. Further, confirmations have been taken from Directors that (a) they are not Directors on the board of other listed companies whose shares have been / were suspended from being traded on the BSE Limited and/or the National Stock Exchange of India Limited during the period of five years before the date of the DRHP; (b) that they are not currently or were previously on the board of a listed company whose shares have been or were delisted from being traded on any stock exchange while they were directors of such companies. Further, we have received confirmations from the Individual Promoter and Directors that they have not been identified as a ‘fugitive economic offenders’ as defined under the SEBI ICDR Regulations.

We have also received confirmations from the Company, Promoters, members of Promoter Group and the Promoter Selling Shareholders in respect of their compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as on date of the DRHP, to the extent applicable.

Companies with which the Company had related party transactions as per the Restated Financial Information, as covered under the relevant accounting standard (i.e., Ind AS 24) have been considered as Group Companies in terms of the SEBI ICDR Regulations. Further pursuant to the Materiality Policy, a company shall be disclosed as a Group Company if (i) such company is a member of the Promoter Group; and (ii) the Company has entered into one or more transactions with such company during the last completed financial year and the most recent period (if applicable) of the Restated Financial Information, which individually or cumulatively in value exceeds 1% of the total profit after tax of the Company as per the Restated Financial Information. The Board, *vide* its resolution dated 21 March 2022 has identified Raneal Technologies Private Limited, RNSE-Tronics Private Limited, DCX Chol Enterprises Inc. and Vinyas Innovative Technologies Private Limited as Group Companies.

The financial information of the Group Companies, as required to be disclosed by the SEBI ICDR Regulations, has been uploaded on their respective websites / the Company’s website at the following links: <http://raneal.com/compliance/annualreturn> (For Raneal Technologies Private Limited);

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

<https://rnselectronics.com/annualreturns> (For RNSE-Tronics Limited); <https://dcxindia.com/investors> (For DCX Chol Enterprise Inc); and <https://dcxindia.com/investors> (For Vinyas Innovative Technologies Limited) .

7. Statutory and/or Regulatory and Other Diligence

In connection with diligence of statutory and regulatory matters, we have, with the assistance of the Legal Counsels, reviewed the relevant statutory and regulatory records of the Company and its Subsidiary, including, among other things, relevant corporate records, approvals, and filings made by such entities with various statutory and regulatory authorities.

We have relied on the list of material licenses, approvals and registrations of Company, identified by the Company, and reviewed such material licenses, approvals and registrations, copies of which were provided by the Company.

We have also relied on representations and certifications provided by the Company, in connection with such statutory and/or regulatory matters. We have also reviewed the material agreements executed by, or in relation to, the Company and such other documents as we have deemed necessary and as have been provided to us by the Company, from time to time.

All capitalised terms used herein and not specifically defined have the same meaning as ascribed to such terms in the DRHP dated 4 April 2022 in relation to the Offer.

		
<p>Edelweiss Financial Services Limited Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: dcx.ipo@edelweissfin.com Website: www.edelweissfin.com SEBI Registration Number: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+ 91 22) 4325 2183 E-mail: dcx.ipo@axiscap.in Website: www.axiscapital.co.in SEBI Registration No.: INM000012029 CIN: L67120MH1995PLC086241</p>	<p>Saffron Capital Advisors Private Limited 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India Tel: +91 22 4973 0394 E-mail: project.kapila@saffronadvisor.com Website: www.saffronadvisor.com SEBI Registration No.: INM000011211 CIN: U67120MH2007PTC166711</p>

ANNEXURE II-B

Checklist confirming regulation-wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.