

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY OUTSIDE INDIA.
Initial Public Offer of equity shares on the main board of the Stock Exchanges in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



CYIENT DLM LIMITED



(Please scan this QR code to view the Red Herring Prospectus)

Our Company was originally incorporated as 'Rangsons Electronics Private Limited' at Mysuru, Karnataka as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 30, 1993 issued by the Registrar of Companies, Karnataka at Bengaluru. The name of our Company was changed to 'Cyient DLM Private Limited' pursuant to a special resolution passed by our Shareholders on December 22, 2016 and a fresh certificate of incorporation pursuant to a change of name dated January 18, 2017 was issued by the Registrar of Companies, Karnataka at Bengaluru. Subsequently, pursuant to a change in our registered office by way of a resolution passed by our Shareholders on August 1, 2019, a certificate of registration of regional director order in relation to the change of State was issued by the Registrar of Companies, Telangana at Hyderabad ("RoC") on July 3, 2020. Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders on November 25, 2022, and the name of our Company was changed to 'Cyient DLM Limited'. A fresh certificate of incorporation dated December 13, 2022 consequent upon change of name on conversion to a public limited company was issued by the RoC. For further details on the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 193 of the Red Herring Prospectus dated June 19, 2023 ("RHP").

Registered Office: 3rd Floor, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081, Telangana, India; Corporate Office: 347, D1 & 2, KIADB Electronics City, Hebbal Industrial Area, Mysuru - 570 061, Karnataka, India; Tel: +91 821 4000 500; Website: www.cyientdml.com; Contact Person: Parvati K R, Company Secretary and Compliance Officer; E-mail: company.secretary@cyientdml.com; Corporate Identity Number: U31909TG1993PLC141346

CYIENT LIMITED IS THE PROMOTER OF OUR COMPANY

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF CYIENT DLM LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹5,920.00 MILLION* (THE "ISSUE").

* OUR COMPANY HAS, IN CONSULTATION WITH THE BRLMS, UNDERTAKEN A PRIVATE PLACEMENT OF 4,075,471 EQUITY SHARES TO AMANSA INVESTMENTS LTD FOR CASH AT A PRICE OF ₹ 265/- AGGREGATING TO ₹ 1,080.00 MILLION ("PRE-IPO PLACEMENT"). THE SIZE OF THE FRESH ISSUE OF EQUITY SHARES HAS BEEN ADJUSTED TO ₹ 5,920.00 MILLION.

THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ 150 MILLION (CONSTITUTING UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). OUR COMPANY IN CONSULTATION WITH THE BRLMS, MAY OFFER A DISCOUNT OF UP TO [●]% OF THE ISSUE PRICE TO ELIGIBLE EMPLOYEE(S) BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"), SUBJECT TO NECESSARY APPROVALS AS MAY BE REQUIRED. THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL, RESPECTIVELY.

Cyient DLM Ltd is an integrated Electronics Manufacturing Services and solutions provider of (i) printed circuit board ("PCB") assembly ("PCBA"), (ii) cable harnesses, and (iii) box builds, which we provide to our clients as Build to Print ("B2P") or Build to Specification ("B2S") which include design, build and maintain.

The Net Issue is in compliance with Regulation 6(2) of the SEBI ICDR Regulations

QIB Portion: Not less than 75% of the Net Issue | Non-Institutional Portion: Not more than 15% of the Net Issue

Retail Portion: Not more than 10% of the Net Issue

WE HAVE UNDERTAKEN A PRE-IPO PLACEMENT OF 40,75,471 EQUITY SHARES TO AMANSA INVESTMENTS LTD AT ₹265 PER EQUITY SHARE.

PRICE BAND: ₹250 TO ₹265 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.

THE FLOOR PRICE IS 25.0 TIMES AND THE CAP PRICE IS 26.5 TIMES THE FACE VALUE OF THE EQUITY SHARES.

OUR PRICE TO EARNING RATIO AT THE FLOOR PRICE IS 32.26 AND AT CAP PRICE IS 34.19.

BIDS CAN BE MADE FOR A MINIMUM OF 56 EQUITY SHARES AND IN MULTIPLES OF 56 EQUITY SHARES THEREAFTER.

A Discount of ₹15/- per Equity Share is being Offered to Eligible Employees Bidding in the Employee Reservation Portion.

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated June 21, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for the Issue Price' section of the RHP vis-a-vis the WACA of primary and secondary transaction(s), as applicable, disclosed in 'Basis for the Issue Price' section on pages 105 to 114 of the RHP.

RISKS TO INVESTORS

- Customer and order book concentration - Our top 10 customers constituted 91.08% of our total revenue from operations for the year ended March 31, 2023 and 96.57% to our order book as of March 31, 2023.
- Market Share - As at March 31, 2022, our market share in the Indian EMS market was 0.5% (Source: Frost & Sullivan Report).
- Reduction in Profit - Our profit for the year decreased by 20.27% from ₹397.95 million for Fiscal 2022 to ₹317.27 million for Fiscal 2023 primarily on account of an increase in (i) finance costs; and (ii) employee benefits expense and a decrease in other income.
- A significant portion of our revenue from operations is derived from our Build to Print ("B2P") solutions, and from the manufacture and sale of Printed Circuit Board Assembly ("PCBA"). In Fiscal 2023, 99.80% of our total revenue from operations was from our B2P solutions. Further, in Fiscal 2023, 62.62% of our total revenue from operations was from the manufacture and sale of PCBAs.
- Concentration Risk - In the year ended March 31, 2023, 90.75% of our total revenue from operations was attributable to our Mysuru facility.
- The capacity utilisation for Fiscals 2023, 2022 and 2021 for our Mysuru facilities are 38.43%, 54.46% and 46.54% respectively and Hyderabad facilities are 7.61%, 9.13% and 7.12% respectively which is lower in comparison to other manufacturing companies.
- Our cost of materials consumed constituted 79.75% of our total expenses for the year ended March 31, 2023 which indicates that our profitability is dependent on inventory cost.
- Dependency on Promoter - We benefit from our Promoter's name and logo, customer relationships, global salesforce network, technical expertise, design team and marketing team for obtaining and executing some of our contracts.
- Weighted average cost of acquisition ("WACA") of all Equity Shares transaction in the one year and three years preceding the date of RHP:

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	35.42	7.48	NIL* - 566.00
Last 3 years	35.42	7.48	NIL* - 566.00

*Equity Shares allotted pursuant to the Bonus Issue.

10. WACA compared to Floor Price and Cap Price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price (i.e. ₹ 250)	Cap Price (i.e. ₹ 265)
(WACA) of Primary Issuances during 18 months prior to RHP	60.88	4.11 times	4.35 times
(WACA) of Secondary Transactions during 18 months prior to RHP	Not Applicable	NA	NA

11. Our market capitalisation at the lower end and higher end of price band to Total Income for the fiscal year 2023 is 2.40 and 2.51 respectively.

12. The Two Book Running Lead Managers associated with the Issue have handled 52 public Issues in the past three Financial Years, out of which 19 Issues closed below the IPO price on the listing date.

Name of the BRLMs	Total public Issues	Issues closed below IPO price on listing date
Axis Capital Limited*	23	11
JM Financial Limited*	15	3
Common Issues of above BRLMs	14	5
Total	52	19

*Issues handled where there were no common BRLMs

Continued on next page...

