



## ADROIT INFOTECH LIMITED

(CIN- L72300TG1990PLC011129)

Our Company was originally incorporated on 19<sup>th</sup> March, 1990 under the Companies act 1956 in the name and style of “Rusoday Mutual Funds Limited”. Further, name of the Company was changed from “Rusoday Mutual Funds Limited” to “Rusoday Finance Limited” vide fresh Certificate of Incorporation dated 04<sup>th</sup> June, 1996 issued by the Registrar of Companies, Andhra Pradesh, Hyderabad. Later on, the name of the Company was changed to “Global Fiscals Limited” vide fresh Certificate of Incorporation dated 06<sup>th</sup> June, 1996 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to “Arham Fiscals Limited” vide fresh Certificate of Incorporation dated 28<sup>th</sup> April, 1997 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to “Color Chips (India) Limited” vide fresh Certificate of Incorporation dated 05<sup>th</sup> January, 2000 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to “Sphere Global Services Limited” vide fresh Certificate of Incorporation dated 01<sup>st</sup> October, 2014 issued by Registrar of Companies, Hyderabad, Telangana. The name of the Company was further changed to “Adroit Infotech Limited” vide fresh Certificate of Incorporation dated 01<sup>st</sup> October, 2014 issued by Registrar of Companies, Hyderabad, Telangana. The Corporate Identification Number (CIN) of the Company is L72300TG1990PLC011129. For further details please refer to the section titled “General Information” beginning on page 54 of this Draft Letter of offer.

**Registered Office:** # Plot No. 7A, MLA Colony, Road No. 12, Banjara Hills Hyderabad, Telangana - 500034

**Tel:** 91-40-23552284/85/86 **Email id:** [cs@adroitinfotech.com](mailto:cs@adroitinfotech.com) ; **Website:** [www.adroitinfotech.com](http://www.adroitinfotech.com)

**Contact Person:** Piyush Prajapati, Company Secretary & Compliance Officer

**PROMOTER OF OUR COMPANY:** MR. SUDHAKIRAN REDDY SUNKERNENI

### FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ADROIT INFOTECH LIMITED

#### THE ISSUE

**ISSUE OF UPTO [●] PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 10 EACH (“EQUITY SHARES”) OF ADROIT INFOTECH LIMITED (“AIL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING PREMIUM OF RS. [●] PER EQUITY SHARE) (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT NOT EXCEEDING RS. 4900 LACS@ TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF [●] EQUITY SHARES FOR EVERY [●] EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●] (THE “ISSUE”). THE ISSUE PRICE IS [●] TIME OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 143 OF THIS DRAFT LETTER OF OFFER.**

*@assuming full subscription*

Amount Payable per Right Equity Shares	Face Value	Premium	Total
On the Issue application	Rs. [●]	Rs. [●]	Rs. [●]
On One or more subsequent Call(s) as determined by our Board / Committee at its sole discretion, from time to time*	Rs. [●]	Rs. [●]	Rs. [●]
<b>Total</b>	<b>Rs. 10</b>	<b>Rs. [●]</b>	<b>Rs. [●]</b>

*\*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares. For details, please refer to “Terms of payment” on page no. 44 of this Draft Letter of Offer.*

#### GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer.

Specific attention of the investors is invited to “Risk Factors” beginning on page 26 of this Draft Letter of Offer before making an investment in this Issue.

#### WILFUL DEFAULTER OR A FRAUDULENT BORROWER

Neither our Company nor any of our Promoter or Directors has been categorized as a Wilful Defaulter or a Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter or a Fraudulent Borrower issued by the Reserve Bank of India.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of offer contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Draft Letter of offer is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Draft Letter of offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

#### LISTING

The existing Equity Shares of our Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Our Company has received “in-principle” approval from BSE and NSE for listing the Equity Shares to be allotted pursuant to the Issue through their letters dated [●] and [●] respectively. Our Company will also make an application to BSE and NSE to obtain their trading approval for the rights entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

#### ADVISOR TO THE ISSUE

  
**NAVIGANT CORPORATE ADVISORS LIMITED**  
423, A Wing, Bonanza, Sahar Plaza Complex,  
J B Nagar, Andheri Kurla Road,  
Andheri East, Mumbai-400 059  
**Tel No.** +91-22-41204837/49735078  
**Email Id-** [navigant@navigantcorp.com](mailto:navigant@navigantcorp.com)  
**Investor Grievance Email:** [info@navigantcorp.com](mailto:info@navigantcorp.com)  
**Website:** [www.navigantcorp.com](http://www.navigantcorp.com)  
**SEBI Registration Number:** INM000012243  
**Contact Person:** Mr. Sarthak Vijlani

#### REGISTRAR TO THE ISSUE

 **Venture Capital and Corporate Investments Private Limited**  
**VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED**  
12-10-167, Bharat Nagar,  
Hyderabad-500018.  
**Tel No.:** +91 040-23818475/23818476/23868023  
**Fax No.:** +91 040-23868024  
**Website:** [www.vccipl.com](http://www.vccipl.com)  
**E-mail ID:** [info@vccilindia.com](mailto:info@vccilindia.com)  
**Contact Person:** E. K. Prasad  
**SEBI Registration No:** INR000001203

#### ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE OF ON-MARKET RENONCIATIONS*	ISSUE CLOSSES ON**
[●]	[●]	[●]

*\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.*

*\*\*Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.*

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 71 and 113, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.*

#### Company Related Terms

Terms	Description
"Adroit Infotech Limited" or "the Company" or "our Company" or "we" or "us" or "our" or "the Issuer"	Adroit Infotech Limited, a public listed Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at #Plot No. 7A, MLA Colony, Road No. 12, Banjara Hills Hyderabad Telangana - 500034.
Articles of Association	The Articles of Association of our Company as amended from time to time.
Auditors / Statutory Auditors	The Statutory Auditors of our Company being M/s. Rao & Shyam, Chartered Accountants.
Board / Board of Directors / our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Director(s)	Any or all the Director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares of face value of Rs. 10 each of our Company.
Internal Auditors	M/s. P R Chandra & Co.
Key Managerial Personnel / KMP	Mr. Sudhakiran Sunkerneni Reddy - Managing Director, Mr. B Ravichandra Rao - Chief Financial Officer, Mr. Arvind Dwivedi - Chief Executive Officer and Mr. Piyush Prajapati - Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company.
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter(s)	Mr. Sudhakiran Reddy Sunkerneni
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchanges under the SEBI Listing Regulations.
Registered Office	Registered office of our Company situated at # Plot No. 7A, MLA Colony, Road No. 12, Banjara Hills Hyderabad Telangana - 500034.

Terms	Description
Registrar of Companies / ROC	Registrar of Companies, 2 <sup>nd</sup> Floor, Corporate Bhawan Rd, GSI Post, Bandlaguda, Nagole, Hyderabad, Telangana 500068.
Subsidiary / Subsidiary Company / our Subsidiary	Our Company has only one Subsidiary named Verso Altima India Limited as on this date of filing of this Draft Letter of Offer.

#### Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	The Abridged letter of offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to the Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment / Allot / Allotted / Allotment of Rights Equity Shares	The allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●]
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of Allotment has been approved by the BSE and NSE.
Allotment Date	The date on which Allotment is made.
Allottee(s)	Persons to whom Rights Equity Shares of our Company are allotted pursuant to this Issue.
Applicant(s) / Investors	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Draft Letter of Offer.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by Investors to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.



Term	Description
ASBA Account	An account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the CAF or in the plain paper application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.
ASBA Investor	An investor (Equity Shareholder or Renouncee) who is intending to subscribe the Equity Shares of our Company under this Issue applying through blocking of funds in a bank account maintained with SCSBs.
Bankers to the Company	HDFC Bank Limited, Plot No. 1355A, Road No. 1 & 45 Jubilee, Hills, Hyderabad -500033.
Bankers to the Issue / Escrow Collection Bank	[•]
Bankers' Agreement	Agreement dated [•] entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/ Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "Terms of the Issue" beginning on page 167 of this Draft Letter of Offer.
CAF / Common Application Form	The application form used by Investors to make an application for Allotment under the Issue
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>
Designated Stock Exchange	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 2018.
Draft Letter of Offer / DLOF	This draft letter of offer dated 09 <sup>th</sup> May, 2023
ECS	Electronic Clearing Service
Equity Shareholder(s)/ Shareholder(s)	The holders of Equity Shares of our Company.

Term	Description
Eligible Equity Shareholders / Eligible Shareholders/	Holders of Equity Shares of our Company as on the Record Date, i.e. [●].
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors.
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [●]
Fraudulent Borrower	A fraudulent borrower, as defined under the SEBI ICDR Regulations
General Corporate Purposes	General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
GIR	General Index Registrar
IEPF	Investor Education and Protection Fund
Investor(s)	The Equity Shareholders of our Company on the Record Date i.e. [●] and the Renouncee(s).
ISIN	International securities identification number
Issue / the Issue / this Issue / Rights Issue	Issue of upto [●] Right Equity Shares with a face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. 4900.00 Lakhs on a rights basis to Eligible Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) fully paid-up Equity Share held on the Record Date i.e. [●].
Issue Opening Date	[●]
Issue Closing Date	[●]
Issue Price	Rs. [●] per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of upto [●] Rights Equity Shares for an amount aggregating up to Rs. 4900.00 Lakhs.
Letter of Offer / LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Listing Agreement	Uniform listing agreement entered into under the Listing Regulations between our Company and the Stock Exchange.
MICR	Magnetic Ink Character Recognition
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application.
NAV	Net Asset Value calculated as Net Worth divided by number of fully paid-up Equity Shares.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 63 of this Draft Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act.
Non Institutional Investor(s)	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB.

Term	Description
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
QIBs / Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [●].
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / Registered FPIs / FPIs	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Registrar to the Issue / Registrar and Transfer Agent / RTA	Venture Capital and Corporate Investments Private Limited
Registrar Agreement	Agreement dated April 20, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor(s)	Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to Rs. 200,000 (including HUFs applying through their karta).
Rights Entitlements (Res)	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date.
Rights Equity Shares / Rights Shares	The equity shares of face value Rs. 10 each of our Company offered and to be issued and allotted pursuant to the Issue.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through on the website of our Company.

Term	Description
Self-Certified Syndicate Bank / SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=34">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=34</a>
Share Certificate	The certificate in respect of the Rights Equity Shares allotted to a folio in a physical form.
Stock Exchange/ Stock Exchange(s)	BSE and NSE, where the Equity Shares of our Company are presently listed being BSE and NSE.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter	Willful Defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### Business and Industry related Terms / Abbreviations

Term	Description
ASP	Application Service Provider
ASR	Automatic Speech Recognition
ASTeC	Automation System Technology Centre
ASTeC	Automation System Technology Centre
BFSI	Banking, Financial Services & Insurance
BOSS	Bharat Operating System Solutions
BPM	Business Process Management
BPO	Business Process Outsourcing
BSNL	Bharat Sanchar Nigam Limited
CAE	Computer Aided Engineering
CARE	Conformity Assessment Requirements
CAs	Certifying Authorities
CAS	Country Assistance Strategy
CAT	Cyber Appellate Tribunal
CC	Common Criteria
CCA	Controller of Certifying Authorities

Term	Description
C-DAC	Centre for Development of Advanced Computing
CERT-In	Indian Computer Emergency Response Team
CFD	Computational Fluid Dynamics
CIC	Central Information Commission
CLIR	Cross Lingual Information Retrieval
C-MET	Centre for Materials for Electronics Technology
CMIA	Confederation of Marathwada Industries and Agriculture
CMP	Crisis Management Plan
CSC	Common Service Centre
CSSA	Certified System Security Analyst
CWCR	Countrywide Classroom
DeitY	Department of Electronics and Information Technology
DOEACC	Department of Electronics Accreditation of Computer Council
DR	Disaster Recovery
DRDO	Defence Research and Development Organisation
DSCS	DOEACC Skill Certification Scheme
e-AGRIEN	Electronics for Agriculture & Environment
EFBSC	Export Facilitation and Business Support Centres
EFT	Electronic Fund Transfer
e-Governance	Electronic Governance
EMC	Electromagnetic compatibility
EMI	Electromagnetic Interference
ERNET	Education & Research Network
ER&D	Engineering and R&D
ESC	Electronics Export and Computer Software Promotion Council
EU	European Union
FAI	Framework for Adaptive Instruction
FOSS	Free & Open Source Software
FRE	Face Recognition Engine
FSS	Full Spectrum Simulator
GAC	Governmental Advisory Committee
GIS	Geographic Information System
HPC	High Performance Computing
ICC	International Code Council
ICT	Information Communication Technology
IDN	Internationalized Domain Names
IEBR	Internal & Extra Budgetary Resources
IECT	Information, Electronics & Communication Technology
IIIT	Indian Institute of Information Technology
IISc	Indian Institute of Science
IIT	Indian Institute of Technology
ILDC	Indian Language Data Centre
INUP	Indian Nanoelectronics Users Programme
IPR	Intellectual Property Rights
ISAEA	Information Security Awareness and Education and Awareness

Term	Description
ISO	International Organisation for Standardization
IT	Information Technology
IT-BPM	Information Technology-Business Process Management
ITES	Information Technology Enabled Services
ITIR	ITIR Information Technology Investment Region
ITRA	Information Technology Research Academy
ITS	Intelligent Transport System
KVK	Krishi Vigyan Kendra
LCP	Liquid crystal polymers
M2M	Machine to Machine
MCIT	Ministry of Communications and Information Technology
MGS	Multiplier Grant scheme
MIS	Management Information System
MLA	Media Lab Asia
MMP	Mission Mode Project
NaMPET	National Mission on Power Electronics Technology
NeGP	National e-Governance Plan
NER	North Eastern Region
NGO	Non-Governmental Organisation
NIC	National Informatics Centre
NICNET	Country-wide computer communication network
NICSI	National Informatics Centre Services Inc
NIELIT	National Institute of Electronics & Information Technology
NIXI	National Internet Exchange of India
NKN	National Knowledge Network
NLRRC	National Localization Research and Resource Centre
NPE	National Policy on Electronics
NPIT	National Policy on Information Technology
NRDC	National Repository of Digital Signature Certificates
NSDG	National e-Governance Service Delivery Gateway
OCR	Optical Character Recognition
OCVS	Online Certificate Validation Service
OTC	Open Technology Centre
PC	Polycarbonate
PHIN	Public Health Information Network
PKI	Public Key Infrastructure
PMMA	Poly Methyl Methacrylate
PRSG	Project Review and Steering Group
QAF	Quality Assurance Framework
R&D	Research & Development
RA	Registration Authority
RCAI	Root Certifying Authority of India
RIA	Rich Internet Applications
RIELIT	Regional Institutes for e-Learning and Information Technology
RoHS	Restricting the use of Hazardous Substances
SaaS	Software as a Service



Term	Description
SAMEER	Society for Applied Microwave Electronics Engineering and Research
SCL	Semiconductor Complex Limited
SDC	State Data Centre
SDR	SDR Software Defined Radio
SICLDR	Semiconductor Integrated Circuits Layout Design Registry
SIPS	Special Incentive Package Scheme
SMAC	Social Media, Mobile, Analytics/big data and cloud computing
SOA	Service Oriented Architecture
SP	State Portal
SRS	Software Requirement Specifications
SSDG	State Service Delivery Gateway
STPI	Software Technology Parks of India
STQC	Standardisation, Testing and Quality Certification
SWAN	State-wide Area Network
TDC	Technology Development Council
TDIL	Technology Development for Indian Languages
TFs	Tera Flops
TIDE	Technology Incubation and Development of Entrepreneurs
ToT	Transfer of Technology
TPA	Third Party Auditor
VC	Video Conferencing
VLSI	Very Large Scale Integration
YoY	Year on Year

#### Conventional and General Terms or Abbreviations

Term	Description
“`” / “Rs.” / “Rupees” / “INR”	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor’s Report) Order, 2016
CBIC	Central Board of Indirect Taxes and Customs
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013, as amended from time to time
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder, as the context requires
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder

Term	Description
COVID-19 / Novel Coronavirus	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
CTS	Cheque Truncation System
Depositories Act	The Depositories Act, 2018 as amended from time to time
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant's Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPS	Earnings per Share
EGM	Extraordinary General Meeting
FCNR Account / FCNR	Foreign Currency Non Resident Account
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FEMA Act / FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2017 as amended from time to time
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Fiscal /Fiscal Year/ Financial Year/FY	12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FPI	Foreign Portfolio Investor
FVCIs	Foreign venture capital investors as defined in and registered with SEBI under the SEBI FVCI Regulations.
GCP	General Corporate Purpose
Government/Gol	Government of India
GST	Goods and Service Tax
HFC	Housing finance companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financing Reporting Standards
Ind AS	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
Indian GAAP	Generally accepted accounting principles followed in India.
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
ISIN	International Securities Identification Number
ISRO	Indian Space Research Organisation
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.

Term	Description
KMP	Key Managerial Personnel
Lakh	One hundred thousand
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House which is a consolidated system of ECS.
NBFC	Non-banking financial companies
NCD(s)	Non-convertible debentures
Net Worth	Aggregate of Equity Share capital and other equity
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
N.A.	Not Applicable
NI Act	Negotiable Instruments Act, 1881
NR	Non Resident
NRE	Non Resident External Account
NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of the commencement of Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's)) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time

Term	Description
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations /ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Takeover Regulations/ SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars.
STT	Securities transaction tax
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
UPI	Unified Payments Interface
U.S/United States	The United States of America
USD / US\$	United States Dollars
US Securities Act	The United States Securities Act of 1933, as amended from time to time
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

## NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Draft Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction.

Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the

date of this Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

#### **NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“United States”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii)



where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Conventions

In this Draft Letter of Offer, unless otherwise specified or context otherwise requires, references to 'US\$', '\$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the references herein to 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

### Financial Data

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Audited Standalone and Consolidated Financial Statements and Unaudited Standalone and Consolidated Financial Results. For further information, refer chapter titled "Financial Statements" on page 113.

We have prepared our Audited Standalone and Consolidated Financial Statements and Unaudited Standalone and Consolidated Financial Results in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Lakhs.

### Currency of Presentation

- All references to 'INR', '₹', 'Indian Rupees', 'Rs.' and 'Rupees' are to the legal currency of India.
- Any reference to 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in lakh.

### Market and Industry Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified and neither we, nor any of our affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "Risk Factors" beginning on page 26 of this Draft Letter of Offer.

### Conversion rates for foreign currency:

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

*(Rs. per unit of Foreign Currency)*

Sr. No.	Name of Currency	As on May 08, 2023	As on March 31, 2023	As on March, 31, 2022	As on March 31, 2021	As on March 31, 2020
1	U.S. Dollar	81.79	82.18	75.90	73.20	75.33

Source: <https://www.poundsterlinglive.com/>

## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer which contain words or phrases such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘future’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will continue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “Risk Factors” beginning on page 26 of this Draft Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-

looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI / Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchanges.

## SECTION II - SUMMARY OF DRAFT LETTER OF OFFER

*The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors.*

*This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, "Objects of the Issue", "Our Business", "Outstanding Litigation and other Defaults" and "Risk Factors" beginning on pages 63, 95, 131, and 26 respectively of this Draft Letter of Offer.*

### 1. SUMMARY OF BUSINESS

We are a specialist SAP Consulting Company, with close to two decades of experience in helping organizations significantly reduce costs and improve effectiveness and efficiency through internal process improvements using SAP products and solutions.

We have consciously focused on the Large Enterprise & Mid-Market - as our area of expertise for development. As a result, we are capable of partnering with customers right from first consultation, process analysis, and implementation - to rollouts, ongoing support, maintenance, and upgrades. Our consultants have experiences from domestic as well as international projects.

Ensuring the value of SAP investment of a client takes more than software. With a formidable team, deep domain and technical expertise, and innovative engagement models, Adroit Infotech can provide the depth and breadth of coverage that business demands. As a result, Adroit is a valued member of the SAP ecosystem.

As a certified SAP Services Partner, Adroit helps customers design, implement and integrate SAP solutions, optimize business processes, and provide strategic business consultation. Adroit collaborates with SAP and assumes responsibility for supporting SAP solutions.

Because of this relationship, Adroit has access to a much broader range of software tools and solutions for its clients. Leveraging this vast resource, we co-innovate on SAP's Business Process Platform to develop new skills and capabilities, access information and knowledge, and thereby deliver the extra value to organizations.

Our status with SAP means that our customers can enjoy the expertise of Adroit and the support of SAP. This combination provides an outstanding opportunity to work with us on collaborative projects within the SAP Ecosystem.

For further details, refer chapter titled "*Our Business*" on page 95.

### SUMMARY OF INDUSTRY

The IT & BPM sector has become one of the most significant growth catalysts for the Indian economy, contributing significantly to the country's GDP and public welfare. The IT industry accounted for 7.4% of India's GDP in FY22, and it is expected to contribute 10% to India's GDP by 2025.

As innovative digital applications permeate sector after sector, India is now prepared for the next phase of growth in its IT revolution. India is viewed by the rest of the world as having one of the largest



Internet user bases and the cheapest Internet rates, with 76 crore citizens now having access to the internet.

The current emphasis is on the production of significant economic value and citizen empowerment, thanks to a solid foundation of digital infrastructure and enhanced digital access provided by the Digital India Programme. India is one of the countries with the quickest pace of digital adoption. This was accomplished through a mix of government action, commercial innovation and investment, and new digital applications that are already improving and permeating a variety of activities and different forms of work, thus having a positive impact on the daily lives of citizens.

India's rankings improved six places to the 40<sup>th</sup> position in the 2022 edition of the Global Innovation Index (GII).

## MARKET SIZE

According to National Association of Software and Service Companies (Nasscom), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth.

According to Gartner estimates, IT spending in India is expected to increase to US\$ 101.8 billion in 2022 from an estimated US\$ 81.89 billion in 2021.

Indian software product industry is expected to reach US\$ 100 billion by 2025. Indian companies are focusing on investing internationally to expand their global footprint and enhance their global delivery centres.

The data annotation market in India stood at US\$ 250 million in FY20, of which the US market contributed 60% to the overall value. The market is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI.

Exports from the Indian IT industry stood at US\$ 149 billion in FY21. Export of IT services has been the major contributor, accounting for more than 51% of total IT export (including hardware). BPM and engineering and R&D (ER&D) and software products export accounted for 20.78% each to total IT exports during FY21. The ER&D market is expected to grow to US\$ 42 billion by 2022.

The IT industry added 4.45 lakh new employees in FY22, bringing the total employment in the sector to 50 lakh employees.

For further details, please refer to the chapter titled "Industry Overview" at page 79.

## 2. Object of the Issue

Our Company intends to utilize the Net Proceeds for the following object:

(Amount in Lakhs)

SR. No.	Particulars	Amounts*	% of gross proceeds	% of Net proceeds
1.	Towards Expansion of Business	Upto 1750.00	[•]*	[•]*
2.	To pay off other non -current liabilities	Upto 755.00	[•]*	[•]*

SR. No.	Particulars	Amounts*	% of gross proceeds	% of Net proceeds
3.	To part finance the requirement of Working Capital	Upto 653.44	[●]*	[●]*
4.	Acquisitions of Businesses in similar or complementary space	Upto 1000.00	[●]*	[●]*
4.	To meet General corporate purposes.	[●]*	[●]*	[●]*
5.	To meet the expenses of the Issue.	[●]*	[●]*	[●]*
	<b>Total</b>	<b>4900.00*</b>	[●]*	[●]*

*\*assuming full subscription*

For further details, refer chapter titled “Objects of the Issue” on page 63 of this Draft Letter of Offer.

### 3. Intention and extent of participation by the Promoter and Promoter Group

The Promoter of our Company have, vide their letters dated 08<sup>th</sup> May, 2023 (“Subscription Letters”) indicated that they will not subscribe fully to their portion of right entitlement. Further, the promoter has confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled “Objects of the Issue” at page 63 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

Further, with respect to the Minimum subscription, this is to submit that the objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project, However, our promoter has confirmed that they will not subscribe fully to their portion of right entitlement. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, our Company would require to achieve minimum subscription of at least 90% of the issue.

### 4. Auditor Qualifications

There are no qualifications, reservations and adverse remarks made by our Statutory Auditors in their report which requires any adjustment to audited financial statements of the Company for the financial year 2021-22, 2020-21 and 2019-20.

### 5. Summary of outstanding litigations

S.No.	Outstanding Litigations	Amount (in Lakhs)
1.	Pending Litigations involving our Company and subsidiary Company	-
2.	Pending Dues to Revenue Departments	-
3.	Pending litigation with Revenue Departments	-

For further details, please see chapter titled “Outstanding Litigations and Other Defaults” beginning on

page 131 of this Draft Letter of Offer.

## 6. Risk Factors

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Letter of Offer.

For details of the risks associated with our Company, ongoing business activities, objects of the Issue and material litigations which may impact our business, please see the section titled “*Risk Factors*” beginning on page 26 of this Draft Letter of Offer.

## 7. Contingent liabilities

As on December 31, 2022, there are no contingent liabilities of our Company. See “*Financial Statements*” beginning on page 113 of this Draft Letter of Offer.

## 8. Related party transactions

For details regarding our related party transactions as per Ind AS 24, see “*Financial Statements*” beginning on page 113 of this Draft Letter of Offer.

## 9. Financing Arrangements

There has been no financing arrangement whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of 6 (six) months immediately preceding the date of this Draft Letter of Offer.

## 10. Issue of Equity Shares for consideration other than cash in last one year

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of this Draft Letter of Offer except as mention below:

Date	Number of Shares	Price per share
November 16, 2022	10,00,000 Equity Shares	Rs. 25/-

## 11. Split / Consolidation

There has been no sub division (face value split) in last one year from the date of this Draft Letter of offer.

**12. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities Laws.

### SECTION III - RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Statements" before making an investment in our Equity Shares.*

*The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.*

*This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to "we", "us" "our" refers to our Company.*

#### INTERNAL RISK FACTORS

##### BUSINESS RELATED RISK

- 1. We are dependent on our ability to develop new services and products, and enhance our existing services and products. If our products and services do not gain market acceptance, our operating results may be negatively affected.**

Rapid technological advances, changing delivery models and evolving standards in software development and communications infrastructure, changing and increasingly sophisticated customer needs and frequent new product introductions and enhancements characterize the industry in which we operate. Digitization is driving major changes in the global business software market, with IT leaders looking to adopt new technologies and software platforms to meet business needs, including revenue growth driven through new products and services, better customer experience and delivery mechanisms, and growth in revenue and profits. Our success depends upon our ability to anticipate, design, develop, test, market, license and support new software products, services, and enhancements of current products and services in response to evolving industry requirements.

To effectively meet customer demand, it is important that we continue to enhance our products and service offerings. We have developed progressive web apps and data services. The markets for our offerings are rapidly evolving due to which the level of acceptance of such products and services is not certain.

The software industry is increasingly focused on cloud computing, mobility, social media and platform as a service among other continually evolving trends. In addition, our products, services, and enhancements must remain compatible with standard platforms and file formats. Often, we must integrate software licensed or acquired from third parties with our proprietary software to create or improve our products. If we are unable to successfully integrate third party software to develop new software products, services, and enhancements to existing products and services, or to complete the development of new products and services which we license or acquire from third parties, our operating results will materially suffer.

If we are unable to develop new or sufficiently differentiated products and services, enhance our product offerings and support services in a timely manner or position and price our products and services to meet demand including in response to new industry standards, customers may not purchase or subscribe to our software products. Renewals of these contracts are important to the growth of our business.

If the markets for our services fail to develop, develop slower than expected or experience increased competition, our business may suffer. As a result, we may be unable to successfully market our existing services and products, develop and successfully launch new products and services and enhancements to existing products and services, complete customer implementations on a timely basis, or complete products and services currently under development. If our services are not accepted by our customers or by associated businesses in our target verticals and markets, our business, operating results and financial condition will be materially adversely affected.

- 2. If we fail to innovate in response to changing customer needs and adopt and develop new technologies, or adapt to evolving industry standards, our business, financial condition, and results of operations could be adversely affected.**

We are engaged in an industry characterized by rapid technological innovation, evolving industry standards, frequent new service introductions, shifting distribution channels and changing customer demands. We believe that the pace of innovation will continue to accelerate as customers increasingly base their business on cloud platforms. Our future success depends on our ability to continue to innovate and increase customer adoption of our platform in other areas. We need to continue to invest in technologies, services, and partnerships that increase the types of data processed on our platform and the ease with which customers can ingest data into our platform.

Further, our software solution infrastructure may become obsolete due to the development of new systems to deliver power to or eliminate heat from the servers or as a result of the development of new server technology.

If we are unable to enhance our platform to keep pace with these rapidly evolving customer requirements, or if new technologies emerge that are able to deliver competitive products at lower prices, more efficiently, more conveniently, or more securely than our platform, our business, financial condition, and results of operations could be adversely affected.



**3. Our Interruptions or performance problems associated with our technology and infrastructure may harm our business and results of operations.**

Our continued growth depends in part on the ability of our existing and potential customers to access our solutions at any time. Although there have not been instances in the past where interruptions or problems with our technology and infrastructure have caused performance issues, we may in future experience disruptions, data loss, outages and other performance problems with our technology infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial of service attacks or other security-related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times and as our products and websites of our customers become more complex and user traffic increases. If our products and websites of our customers are unavailable or if users of such products and websites are unable to access products and websites within a reasonable amount of time, or at all, our business would also be harmed. Any disruptions in these services, including as a result of actions outside of our control, would significantly impact the continued performance of our products. Any loss of the right to use any of these services could result in decreased functionality of our products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated into our infrastructure. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, results of operations and financial condition could be harmed.

**4. Our inability to assess, monitor and manage risks inherent in our business may have an adverse effect on our business and results of operations.**

The effectiveness of our risk monitoring and management is limited by the quality, timeliness and availability of data required for the assessment of the risks such as, information regarding market, customers and proposed policy changes. Such data may not be accurate or complete in all the cases thereby affecting our ability to access, monitor and manage risks. Largely, our risk management is based on the study of historical market behaviour and as a result these studies may not predict the future risks exposures. Our risk management policies therefore may not adequately address unidentified or unanticipated risks in all cases. Any inadequacy in the timely assessment and mitigation of risks may have an adverse effect on our business and results of operations.

**5. Our Compliance with data privacy norms may require us to incur expenditure, which may adversely impact our financial condition and cash flows.**

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur expenses and devote considerable time to compliance efforts. The existing data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 (“PDP Bill”), applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill.

Changes or further restrictions in data privacy laws, rules and regulations could have an adverse effect on our business, results of operations and financial performance. The cost and operational consequences of implementing further data protection measures could be significant and this may have an adverse effect on our business, results of operations and financial performance.

- 6. As on the date of this Draft Letter of Offer, 20,00,000 equity shares allotted pursuant to Preferential Issue are pending for listing and trading approval from stock exchanges and same has been considered in this Rights Issue.**

Our Company, pursuant to the resolution passed by our Board in its meeting dated November 16, 2022, allotted 20,00,000 Equity Shares on Preferential basis (10,00,000 to Mr. Sudhakaran Reddy Sunkerneni, 5,00,000 to Narender Gundla and 5,00,000 to Ravinder Reddy Male) upon receipt of In-principle approval dated November 10, 2022 from the stock exchanges. As on the date of this draft letter of offer, we have applied for listing approval for the aforementioned equity shares with the stock exchanges, which is still pending. However, such 20,00,000 shares have been taken into account when determining the Equity Shares outstanding prior to the Issue for the purpose of this Rights Issue.

- 7. Within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 63 of this Draft Letter of Offer, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.**

We intend to use Rs. 1750.00 Lakhs of Issue Proceeds towards purchasing for expansion of business and setting up of development centres and opening of Offices of our branch offices, meeting the working capital requirement, acquisition of similar business and general corporate purpose. We intend to deploy the Net Issue Proceeds in financial year 2023-24 and next years and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 63 of this Draft Prospectus.

The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. We have also not taken any quotation or estimates from any external agency to arrive the cost towards expansion of business and setting up of development centres and opening of Offices of our branch offices. Accordingly, within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 63 of this Draft Letter of Offer, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue.

- 8. The length of our sales cycle may fluctuate significantly and depends on several external factors which may result in significant fluctuations in our revenues.**

A customer's decision to purchase our services or products often involves a comprehensive implementation process across the customer's network(s) which includes customer education, evaluation by a number of employees in our customers' organization and, often, a significant strategic or operational decision by our customers. Our sales efforts involve educating our

customers about the use and benefits of our products and solutions, including any potential cost savings achievable by organization that partner with us.

Customers typically undertake a significantly long evaluation process which also involves evaluation of our competitors' services and can result in a lengthy sales cycle. Moreover, a purchase decision by a potential customer typically requires extended evaluation, testing and the approval of senior decision makers, including the boards of directors of our customers. We spend substantial time, effort and money on our sales efforts without any assurance that our efforts will produce any sales. Additionally, implementing our products and any related services may entail a significant commitment of resources by prospective customers, accompanied by the risks and delays frequently associated with significant technology implementation projects. Such delays and fluctuations could cause our revenues and results of operation to fluctuate significantly across time periods, and we may not be able to adjust our costs quickly enough to offset such lower revenues, potentially adversely impacting our business, operating results and financial condition.

**9. Major fraud, lapses of internal control or failures on part of the employees and could adversely impact the company's business.**

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

**10. Our Promoter plays key role in our functioning and we heavily rely on her knowledge and experience in operating our business and therefore, it is critical for our business that our Promoter remain associated with us.**

Our success also depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key person could adversely affect our business, operations and financial condition. The success of our business operations is attributable to our Promoter, Directors and the technical team. We believe that our relation with our Promoter, who have rich experience in markets, managing customers and handling overall businesses, has enabled us to experience growth and profitability. Our Promoter has been actively involved in the day-to-day operations and management since the incorporation of the Company. Further, our Promoter have also promoted other companies/ firms/ ventures and may continue to do so. If they divert their attention to the other companies, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our promoter or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business.

We also depend significantly on the expertise, experience and continued efforts of our technical team; hence, our performance and success substantially depend on the ability to attract and retain our key employees, including our management team and experienced personnel. There can be no assurance that any member of our senior management or other experienced personnel will not leave us in the future. The lack of or loss of the services of such key persons in the organization could seriously impair our ability to continue to manage and expand our business. Our success is also dependent on our continuous ability to identify, hire, train retain and motivate R&D team, technical team, servicing team and sales and marketing personnel. Competition for personnel in our industry is intense, and the availability of suitable and qualified candidates is limited. If we fail

to hire and retain our employees, the loss of their services could harm our business operations and financial condition could be adversely affected.

- 11. We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favourable terms may have an adverse effect on our operations, profitability and growth prospects.**

Our business demands substantial funds towards working capital requirements particularly for procuring and retaining skilled Manpower. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

- 12. Our insurance coverage may not be sufficient or may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.**

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with, and appropriate to, our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

- 13. Significant challenges or delays in our Company's innovation and development of new products, technologies and indications could have an adverse impact on the Company's long-term success.**

Our Company's continued growth and success depends on its ability to innovate and develop new and differentiated products and services that address the evolving technology needs of companies, providers and consumers. Development of successful products and technologies is also necessary to offset revenue losses when the Company's existing products lose market share due to various factors such as competition and loss of intellectual property rights. Our Company cannot be certain when or whether it will be able to develop, license or otherwise acquire companies, products and technologies, whether particular product candidates will be granted regulatory approval, and, if approved, whether the products will be commercially successful. New products or enhancements to existing products may not be accepted quickly or significantly in the marketplace due to product and price competition, changes in customer preferences. Even following initial regulatory approval, the success of a product can be adversely impacted by efficacy findings in larger real market entry of competitive products.

- 14. We continue to explore the diversification of our business and the implementation of new models and services. These diversifications and our other strategic initiatives may not be successful, which may adversely affect our business and results of operations.**

In order to achieve our goal, we are constantly evaluating the possibilities of expanding our business through new models, innovations and/or starting new services. These new businesses and modes of delivery and the implementation of our strategic initiatives may pose significant challenges to our administrative, financial and operational resources, and additional risks, including some of which we are not aware of. The evolving nature of some of our businesses make it difficult to predict competition and consumer demand therein. Our strategic initiatives require capital and other resources, as well as management attention, which could place a burden on our resources and abilities. In addition, we cannot assure you that we will be successful in implementing any or all of our key strategic initiatives. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, or at all, our ability to maintain and improve our leading market position may be negatively impacted, which may have an adverse effect on our business market position, brand name, financial condition and results of operations.

- 15. Software development is a long, expensive and uncertain process and our current expenditure in software development may not provide a sufficient or timely return.**

The development of our software is a costly, complex and time-consuming process, and the investment in their development often involves a long wait until a return is achieved on such an investment. We have made, and will continue to make, significant investments in software development and related product opportunities. Investments in new technology and processes are inherently speculative. Commercial success depends on many factors, including the degree of innovation of the software products and services developed and effective distribution and marketing. Such expenditure may adversely affect our operating results if they are not offset by corresponding and timely revenue increases. We must continue to dedicate a significant number of resources to our research and development efforts in order to maintain our competitive position. However, significant revenues from new software product and service investments may not be achieved for a number of years, or at all. Moreover, new software products and services may not be profitable, and even if they are profitable, operating margins for new software products and services may not be in line with the margins we have experienced for our existing or historical software products and services. Moreover, we may determine that certain products or services do not have sufficient potential to warrant the continued allocation of resources and accordingly, we may elect to terminate the development of such products. If we terminate a product in development in which we have invested significant resources, our prospects may suffer, as we will have expended resources on a project that will not provide any return on our investment and also may have missed the opportunity to have allocated those resources to potentially more productive uses. In turn, this may adversely impact our business, operating results and financial condition.

- 16. Increases in wages for IT professionals could reduce our cash flows and profit margins.**

Historically, wage costs in the Indian IT services industry have been significantly lower than wage costs in developed countries for comparable skilled technical personnel, which has been one of India's competitive strengths. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. In the long term, wage increases may make us less competitive unless we are able to continue increasing the efficiency and productivity of our professionals and the quality of our services and the prices we can charge for our products and services. Increases in wages, including an increase in the cash component of

our compensation expenses, may reduce our cash flows and our profit margins and have a material adverse effect on our business, financial conditions and results of operations.

**17. The e-commerce industry including software industry in India is highly competitive.**

The e-commerce industry in India is an open and highly competitive market. While competitors are predominantly other domestic operators, an increasing number of international companies may enter the markets in which our Company operates and may share some of our competitive strengths. Some of competitors may have access to greater financial resources or economies of scale or may be able to source their merchandise from lower-cost suppliers, and therefore have a lower cost base, or have greater operational efficiencies, which may give them a competitive advantage over our Company.

The software industry in India is also highly competitive. We compete principally with leading Government- controlled companies, as well as private sector Indian companies and international companies. Some of our competitors are well capitalized and have Government shareholding and therefore they may be able to compete more effectively than us.

We also face significant competition in the development of innovative products and solutions, including the development of new technologies. Accordingly, we expect competition in the software industry to increase, which could have a material adverse effect on our business, financial condition, cash flows and results of operations. If our Company fails to respond effectively to competitive pressures and changes in its existing and new markets, or if it experiences delays or failures in the execution of its strategies due to any of these factors, our Company's business, financial performance and results of operations may be adversely affected.

**18. We rely on telecommunications and information technology systems, networks and infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively operate our platforms or provide our products and services.**

Our business could be impacted by the failure of telecommunications network operators to provide us with the requisite bandwidth which could also interfere with the speed and availability of our platform, as well as by breakdowns at the level of our internet service providers. Additionally, systems, app components and software that are developed internally may contain undetected errors, defects or bugs, which we may not be able to detect and repair in time, in a cost-effective manner or at all. In such circumstances, we may be liable for all or some costs and damages, as we would not be entitled to any indemnification or warranty that may have been available if we had obtained such systems or software from third-party providers. Disruptions or instabilities in telecommunications networks, our platforms, servers and databases as well as the functioning of internet service providers could lead to dissatisfaction and damage our reputation.

In addition, to perform reliably, the fixed telecommunications networks and internet infrastructure of internet service providers in India, and in any other locations that we may operate in, require maintenance and periodic upgrading of the appropriate networks and infrastructure which are beyond our control. We cannot assure you that our back-up and disaster recovery measures and business continuity planning would effectively eliminate or alleviate the risks arising from the above contingencies. Our success will depend upon third parties maintaining and improving internet infrastructure to provide a reliable network with adequate speed and data capacity and telecommunication networks with good quality of services and lower congestion.



**19. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.**

Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition. We operate in an industry, which faces intense competition from established as well as unorganized players. Our competition depends on several factors, which include quality, price and our pace in keeping up with the changing trends. Competition emerges from both organized as well as unorganized sector. If we are unable to effectively compete our revenues and reputation may be adversely affected and we not be able to achieve our long-term strategies.

**20. Our Industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.**

Our industry being labour intensive is dependent on labour force for carrying out its operations and software development and staffing services. Shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain, flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

**21. Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business, financial condition and results of operations.**

The nature of our business exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.

Time is often of the essence in our business work. In the event there are delays in our current or future service, we will not be able to get extensions from our customers. Further, in some contracts, in case of delay due to deficiency in services by us, clients may have the right to complete the work at our risk and cost by engaging a third party. In the event we fail to perform under the terms of a particular contract, that could adversely affect our financial conditions and business operations. Failure to effectively cover ourselves against any of these reasons could expose us to substantial costs and potentially lead to material losses. In addition, if there is a



customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us.

**22. Grants of stock options under our employee stock option plans may result in a charge to our profit and loss account and will, to that extent, reduce our profits or increase our losses.**

Our Company, pursuant to the resolutions passed by our Board and Shareholders in its meeting dated March 29, 2023, adopted AIL ESOP 2023. For further information, see “Capital Structure” on page 60 of this Draft Letter of Offer. As on the date of this Draft Letter of Offer, we have granted options under our ESOP 2023 and may in future grant further options or establish other employee stock option schemes or plans, under which eligible employees may participate, subject to the requisite approvals having been obtained. With the introduction of AIL ESOP 2023, our Company has also made a one-time grant of stock options to certain employees with vesting over a period of three years which will result in a substantial increase in our employee benefit expense in current and future periods.

**23. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.**

We have in the past entered into transactions with certain enterprises over which our Directors have a significant influence. While we believe that all such transactions have been conducted on an arm’s length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

For further information on our related party transactions, see “Financial Information - Note 29” on page 113 of this Draft Letter of Offer. Further, it is likely that we may enter into related party transactions in the future and such transactions may potentially involve conflicts of interest. In terms of the Companies Act, 2013 and SEBI LODR Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board and Shareholders for certain party transactions and our undertakes that such related party transactions shall not be done against the interests of the Company and its shareholders as prescribed in the SEBI LODR Regulations. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

**24. As on the date of this Draft Letter of Offer, no investor complaint is outstanding on SCORES.**

As on the date of this Draft Letter of Offer, no investor complaint is outstanding on SCORES. But there is no assurance that in future the Company will be able to resolve each and every investor complaint received on SCORES. For detailed information of the no. of Investor Complaints received and resolved by the Company, kindly refer to page 142 of this Draft letter of letter.

**25. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.**

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition

and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**26. Inability to maintain adequate internal controls may affect our ability to effectively manage our operations, resulting in errors or information lapses.**

As we continue to expand, our success depends on our ability to effectively utilize our resources and maintain internal controls. We may need to modify and improve our financial and management control processes, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. While we have not experienced any material failures in our internal controls, we cannot assure you that this will be the case in the future, that our current internal controls are sufficient or that we will be able to maintain adequate internal controls. If we are unable to improve our controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our operations resulting in errors or information lapses that affect our business. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business in future effectively may materially and adversely be affected.

**27. Delay in raising funds from the Right issue could adversely impact the implementation schedule.**

The proposed expansion, as detailed in the section titled “*Objects of the Issue*” is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**28. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.**

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 63 of this Draft Letter of Offer is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

- 29. Our future fund requirements, in the form of further issue of capital or securities may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.**

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

- 30. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers thereby reducing our margins.**

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

- 31. Industry information included in this Draft Letter of offer has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Letter of offer. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their depend ability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from parties

that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Letter of Offer.

- 32. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.**

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE and NSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

- 33. There may have been instances of delays/ non-filing/ non-compliance in the past with certain statutory authorities with certain provision of statutory regulations applicable to us. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.**

In the past, there may have been some instances of delays/ non-filing/ non-compliance in the past with certain statutory authorities with certain provision of statutory regulations applicable to us. While no legal proceedings or regulatory action has been initiated against our Company in relation to such non-compliance or instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC as of the date of this Draft Letter of Offer, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same or in case any claim for gratuity matures, our business, financial condition and results of operations could be adversely affected.

- 34. We require a number of approvals, licenses, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations**

We may require several statutory and regulatory permits, licenses and approvals in the ordinary course of our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the timeframe anticipated by us or at all. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension, delay in issuance or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapter titled "Government and Other Approvals" at page 133 respectively of this Draft Letter of Offer.

- 35. As the Equity Shares of our Company are listed on the Stock Exchanges, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.**

The Equity Shares of our Company are listed on Stock Exchanges, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavors to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

- 36. We have not commissioned an industry report for the disclosures made in the section titled 'Industry Overview' and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.**

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled "Industry Overview" beginning on page 79 of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

- 37. We face competition in our business from both domestic and international competitors. Such competition would have an adverse impact on our business and financial performance.**

The industry, in which we are operating, is highly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

- 38. Our Promoters or members of our Promoter Group may pledge or dispose of the Equity Shares held by them which may adversely impact the trading price of our Equity Shares.**

There is no restriction on our Promoters and members of the Promoter Group to dispose, transfer or pledge their Equity Shares, and our Promoters and / or members forming part of the Promoter Group may at any time pledge or dispose of the Equity Shares held by them including immediately after listing of Rights Equity Shares pursuant to this Rights Issue. In the event of creation of such a pledge, the pledgee may exercise the right of acquiring, selling or otherwise disposing of such Equity Shares if the pledgor fails to abide by the terms and conditions of the pledge so created. Any transfer / sale of Equity Shares by our Promoter and / or members forming part of the Promoter Group will lead to a dilution of the Promoter holding in our Company which may adversely impact the trading price of our Equity Shares.

**39. We have not independently verified certain data in this Draft Letter of offer.**

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**40. Our future fund requirements, in the form of further issue of capital or securities may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.**

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

**41. Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.**

Our Company will dispatch this Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

## **RISKS RELATING TO RIGHTS ISSUE**

**42. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding**

The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted pursuant to increase in paid up share capital. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Rights Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the Demat Account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market



Renunciation, such Renouncee will not be able to apply in this Rights Issue with respect to such Rights Entitlements.

- 43. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.**

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

- 44. There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner.**

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted.

- 45. The Issue Price of our Right Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.**

The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price.

There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- (b) changes in revenue or earnings estimates or publication of research reports by analysts;
- (c) speculation in the press or investment community;
- (d) general market conditions; and
- (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

## **EXTERNAL RISK FACTORS**

- 46. Financial instability in other countries may cause increased volatility in Indian financial markets.**

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia, Europe and the United States of

America. Although economic conditions are different in each country, investor's reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations.

**47. The occurrence of natural or man-made disasters could adversely affect our results of operations. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our financial condition. In addition, India has witnessed local civil disturbances in recent years, in particular communal violence across ethnic or communal lines involving conflicts, riots and other forms of violence between communities of different religious faith or ethnic origins, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

**48. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.**

We are incorporated in India and we conduct our corporate affairs and our business in India. Factors that may adversely affect the Indian economy and hence our results of operations may include:

- prevailing income conditions among Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs.

**49. We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.**

Any future equity issuances by us, may lead to the dilution of Investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to



other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares

## SECTION IV- INTRODUCTION

### THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “*Terms of the Issue*” beginning on page 143 of this Draft Letter of Offer:

The Equity Shares in the present Issue are being offered pursuant a resolution passed by our Board at its meeting held on 09<sup>th</sup> May, 2023 in accordance with the provisions of the Companies Act.

#### Summary of the Issue

<b>Rights Equity Shares to be Issued</b>	Upto [●] Right Equity Shares
<b>Rights Entitlement for Equity Shares</b>	[●] Rights Equity Shares for every [●] fully paid-up Equity Share held on the Record Date.
<b>Record Date</b>	[●]
<b>Face value per Equity Share</b>	Rs. 10 each
<b>Issue Price per Rights Equity Share</b>	Rs. [●] per Rights Equity Share
<b>Issue Size</b>	Upto Rs. 4900.00 Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	2,02,67,372 fully paid up Equity Shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)</b>	[●] Equity Shares
<b>ISIN and Symbol</b>	ISIN: INE737B01033, Scrip Code: 532172; ADROITINFO
<b>ISIN for Right Entitlements</b>	[●]
<b>ISIN for Partly paid up shares</b>	[●]
<b>Terms of the Issue</b>	For more information, please see the chapter titled “ <i>Terms of the Issue</i> ” beginning on page 143 of this Draft Letter of Offer.
<b>Use of Issue Proceeds</b>	For more information, please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 63 of this Draft Letter of Offer.

For details in relation fractional entitlements, see “Terms of the Issue - Fractional Entitlements” beginning on page 162 of this Draft Letter of Offer.

#### Terms of payment

<b>Amount Payable per Right Equity Shares</b>	<b>Face Value</b>	<b>Premium</b>	<b>Total</b>
On the Issue application (i.e. along with the Application Form)	Rs. [●]	Rs. [●]	Rs. [●]
On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time*	Rs. [●]	Rs. [●]	Rs. [●]
<b>Total</b>	Rs. 10.00	Rs. [●]	Rs. [●]

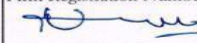

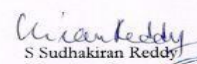
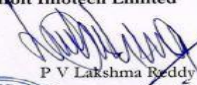
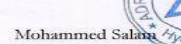

For details in relation to fractional entitlements, see “Terms of the Issue - Fractional Entitlements” beginning on page 162 of this Draft Letter of Offer.

### **SUMMARY OF FINANCIAL STATEMENTS**



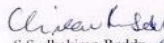

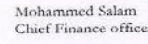

The summary financial information of our Company as derived from the Audited Standalone and Consolidated Financial Statements of our Company for the financial year ended on March 31, 2022 and Unaudited Standalone and consolidated financial statements for the nine months ended on December 31, 2022 is reproduced below. Our summary financial information should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in chapter titled “Financial Statements” beginning on page 113 of this Draft Letter of Offer.

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**AUDITED STANDALONE PROFIT AND LOSS FOR THE PERIOD ENDING 31ST MARCH, 2022**


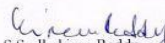
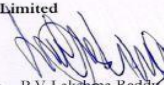
<b>ADROIT INFOTECH LIMITED</b> Plot No 7A, MLA Colony, Road No: 12, Banjara Hills. Hyderabad -500034 Standalone Statement of Profit and Loss for the year ended March 31, 2022 (In Rupees )			
Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Income</b>			
i) Revenue From Operations	22	6,37,10,163	6,18,08,853
ii) Other Income	23	11,50,118	89,20,949
<b>Total Income</b>		<b>6,48,60,281</b>	<b>7,07,29,802</b>
<b>Expenses</b>			
i) Cost of Service Licenses		-	-
ii) Employee benefits expense	24	3,21,16,828	3,29,01,343
iii) Depreciation and amortisation expense	25	1,08,49,412	1,09,21,435
iv) Finance Cost	26	17,20,068	18,23,798
v) Other Expenses	27	1,34,27,113	1,05,79,490
<b>Total expenses</b>		<b>5,81,13,422</b>	<b>5,62,26,066</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>67,46,859</b>	<b>1,45,03,736</b>
Exceptional Items		6,69,093	1,42,31,513
<b>Profit Before Tax</b>		<b>60,77,766</b>	<b>2,72,223</b>
Tax Expenses			
-Current Tax		-	3,27,797
-Deferred Tax		(1,08,649)	(6,672)
-MAT Tax (credit)		-	-
<b>Profit/(loss) for the period from continuing operations</b>		<b>61,86,415</b>	<b>(48,902)</b>
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
<b>Profit/(loss) from discontinued operations after tax</b>		<b>-</b>	<b>-</b>
<b>I Profit/(loss) for the Period</b>		<b>61,86,415</b>	<b>(48,902)</b>
<b>II Other Comprehensive Income</b>			
i) <b>Items that will not be reclassified to profit or loss:</b>			
-Impairment of allowances in doubtful debt		-	-
-Remeasurements of the defined benefit plans		-	-
-Equity Instruments through other comprehensive income		-	-
-Income Tax relating to these items		-	-
ii) <b>Items that will be reclassified to profit or loss:</b>			
-Debt Instruments through Other Comprehensive Income		-	-
-The effective portion of gains and loss on hedging instruments in a cash flow hedge		-	-
-Income Tax relating to these items		-	-
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the period</b>		<b>61,86,415</b>	<b>(48,902)</b>
Earnings per equity share :			
(1) Basic		0.34	(0.00)
(2) Diluted		0.34	(0.00)
For Niranjana & Narayan Chartered Accountants Firm Registration Number : 005899S  P Venumadhava Rao Partner Membership Number : 202785  Place: Hyderabad Date: 21-May-2022		<b>for and on behalf of Adroit Infotech Limited</b>  S Sudhakiran Reddy Managing Director DIN 01436242  P V Lakshma Reddy Director DIN 01108707  Mohammed Salam Chief Finance officer  Sachita Dugar Company Secretary & Compliance officer	

**AUDITED STANDALONE BALANCE SHEET AS ON 31ST MARCH, 2022**

<b>ADROIT INFOTECH LIMITED</b> Plot No 7A, MLA Colony, Road No: 12, Banjara Hills, Hyderabad -500034 Standalone Balance Sheet as at March 31, 2022			
Particulars	Note No	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	1,23,42,158	27,73,991
(b) Goodwill	2	-	-
(c) Other intangible assets	2	7,69,70,901	8,65,81,551
(e) Financial Assets			
(i) Investments	3	-	8,00,000
(f) Deferred tax Assets (net)	4	29,50,661	28,42,011
(g) Other non-current Assets	5	1,58,07,623	-
<b>Total Non-Current Assets</b>		<b>10,80,71,343</b>	<b>9,29,97,553</b>
<b>Current Assets</b>			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade Receivables	6	2,94,94,455	4,21,18,007
(ii) Cash & Cash Equivalents	7	29,167	30,988
(iii) Bank Balances other than (ii) above		6,21,462	1,69,819
(iv) Loans	8	2,84,35,000	15,02,892
(v) Others (Int accrued on employee loans & term deposits)		-	-
(c) Current Tax Assets (Net)	9	82,84,016	83,05,622
(d) Other Current Assets	10	1,77,721	2,27,785
<b>Total Current Assets</b>		<b>6,70,41,822</b>	<b>5,23,55,113</b>
<b>TOTAL ASSETS</b>		<b>17,51,13,166</b>	<b>14,53,52,666</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	18,26,73,720	18,26,73,720
(b) Other Equity	12	(11,34,20,572)	(11,96,06,987)
<b>Total Equity</b>		<b>6,92,53,148</b>	<b>6,30,66,733</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	89,50,570	39,44,097
(ii) Trade Payables	14	20,59,541	21,54,581
(iii) Other Financial Liabilities	15	4,79,97,588	3,20,92,850
(b) Provisions	16	6,61,702	-
(c) Deferred Tax Liabilities		-	-
(c) Other non-current liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>5,96,69,402</b>	<b>3,81,91,528</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	89,99,334	89,79,541
(ii) Trade payables	18	77,56,722	18,49,769
(iii) Other Financial Liabilities		-	-
(b) Provisions	19	20,24,912	48,46,943
(c) Current Tax Liabilities (net)	20	15,63,319	18,91,116
(d) Other current liabilities	21	2,58,46,327	2,65,27,036
<b>Total Current Liabilities</b>		<b>4,61,90,616</b>	<b>4,40,94,405</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,51,13,166</b>	<b>14,53,52,666</b>
<b>Basis of Preparation &amp; Significant Accounting Policies</b>	1		
For Niranjana & Narayan Chartered Accountants Firm Registration Number : 005899S  P Venumadhava Rao Partner Membership Number : 202785  Place: Hyderabad Date: 21-May-2022		for and on behalf of Adroit Infotech Limited  S Sudhakiran Reddy Managing Director DIN 01436242  R V Lakshma Reddy Director DIN 01108707  Mohammed Salam Chief Finance officer  Suchita Dugar Company Secretary & Compliance officer	



**AUDITED STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST MARCH, 2022**

ADROIT INFOTECH LIMITED Cash Flow Statement For The Year Ended March 31, 2022		
	(In Rupees)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	60,77,766	2,72,223
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>		
Adjustments for		
Depreciation and amortisation expense	1,08,49,412	1,09,21,435
Interest Income	11,50,118	4,67,271
Finance costs(net)	-	-
	<b>1,80,77,296</b>	<b>1,16,60,929</b>
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
Increase/ (Decrease) in Short Term Borrowings	50,26,266	12,51,614
Increase/ (Decrease) in Trade payables	58,11,913	(18,90,441)
Increase/ (Decrease) in Other Current Liabilities	(6,80,709)	(54,78,549)
Increase/ (Decrease) in Current Tax Liabilities	(3,27,797)	3,27,797
Increase/ (Decrease) in Non-Current Liabilities	1,59,04,738	(1,43,26,078)
Increase/ (Decrease) in Long Term Provisions	6,61,702	(9,79,246)
Increase/ (Decrease) in Short Term Provisions	(28,22,031)	(69,60,029)
Increase/ Decrease in Trade receivables	1,26,23,551	(1,08,39,619)
Increase/ Decrease in Other Non-Current Assets	(1,58,07,623)	1,82,525
Increase/ Decrease in Short Term Loans and advances	(2,69,32,108)	(3,58,746)
Increase/ Decrease in Current Tax Assets	21,605	51,22,927
Increase/ Decrease in Other Current Assets	50,063	31,28,112
<b>Cash generated from operations</b>	<b>1,16,06,867</b>	<b>(1,91,58,804)</b>
Interest Paid	-	-
Direct Taxes	-	(3,27,797)
<b>Net cash inflow from operating activities</b>	<b>1,16,06,867</b>	<b>(1,94,86,601)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,08,06,929)	1,98,99,897
Proceeds/purchase on or Investments	8,00,000	-
Interest Income	(11,50,118)	(4,67,271)
<b>Net cash outflow from investing activities</b>	<b>(1,11,57,047)</b>	<b>1,94,32,626</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
Proceeds from issue of shares	-	-
Interest paid	-	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,49,821</b>	<b>(53,975)</b>
Cash and cash equivalents at the beginning of the financial year	2,00,808	2,54,783
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>6,50,629</b>	<b>2,00,808</b>
<div> <p>For Niranjana &amp; Narayan Chartered Accountants Firm Registration Number : 0058998</p> <p> P Venumadhava Rao Partner Membership Number : 202785</p> <p>Place: Hyderabad Date: 21-May-2022</p> </div> <div> <p>for and on behalf of Adroit Infotech Limited</p> <p> S Sudhakiran Reddy Managing Director DIN 01436242</p> <p> P V Lakshma Reddy Director DIN 01108707</p> </div>		

**AUDITED CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDING 31ST MARCH, 2022**

ADROIT INFOTECH LIMITED				
Plot No 7A, MLA Colony, Road No: 12, Banjara Hills. Hyderabad -500034				
Consolidated Statement of Profit and Loss for the year ended March 31, 2022				
(In Rupees )				
Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021	
<b>Income</b>				
i) Revenue From Operations	21	6,37,10,163	6,18,08,853	
ii) Other Income	22	11,50,118	89,20,949	
<b>Total Income</b>		<b>6,48,60,281</b>	<b>7,07,29,802</b>	
<b>Expenses</b>				
i) Cost of Service Licenses		-	-	
ii) Employee benefits expense	23	3,21,16,828	3,29,01,343	
iii) Depreciation and amortisation expense	24	1,08,49,412	1,09,21,435	
iv) Finance Cost	25	17,20,068	18,23,798	
v) Other Expenses	26	1,34,27,113	1,05,79,490	
<b>Total expenses</b>		<b>5,81,13,422</b>	<b>5,62,26,066</b>	
<b>Profit/(loss) before exceptional items and tax</b>		<b>67,46,859</b>	<b>1,45,03,736</b>	
Exceptional Items		6,69,093	1,42,31,513	
<b>Profit Before Tax</b>		<b>60,77,766</b>	<b>2,72,223</b>	
Tax Expenses		-	3,27,797	
-Current Tax		-	(6,672)	
-Deferred Tax		(1,08,649)	-	
-MAT Tax (credit)		-	-	
<b>Profit/(loss) for the period from continuing operations</b>		<b>61,86,415</b>	<b>(48,902)</b>	
Profit/(loss) from discontinued operations		-	-	
Tax expense of discontinued operations		-	-	
<b>Profit/(loss) from discontinued operations after tax</b>		<b>-</b>	<b>-</b>	
<b>I Profit/(loss) for the Period</b>		<b>61,86,415</b>	<b>(48,902)</b>	
<b>II Other Comprehensive Income</b>				
i) <b>Items that will not be reclassified to profit or loss:</b>				
-Impairment of allowances in doubt ful debt		-	-	
-Remeasurements of the defined benefit plans		-	-	
-Equity Instruments through other comprehensive income		-	-	
-Income Tax relating to these items		-	-	
ii) <b>Items that will be reclassified to profit or loss:</b>				
-Debt Instruments through Other Comprehensive Income		-	-	
-The effective portion of gains and loss on hedging instruments in a cash flow hedge		-	-	
-Income Tax relating to these items		-	-	
Other Comprehensive Income		-	-	
<b>Total Comprehensive Income for the period</b>		<b>61,86,415</b>	<b>(48,902)</b>	
Earnings per equity share :				
(1) Basic		0.34	(0.00)	
(2) Diluted		0.34	(0.00)	

For Niranjana & Narayan  
Chartered Accountants  
Firm Registration Number : 005899S

P Venumadhava Rao  
Partner  
Membership Number : 202785

Place: Hyderabad  
Date: 21-May-2022

for and on behalf of Adroit Infotech Limited

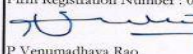

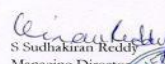

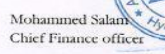
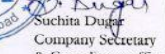
S Sudhakiran Reddy  
Managing Director  
DIN 01436242

Mohammed Salam  
Chief Finance officer

P V Lakshma Reddy  
Director  
DIN 01108707


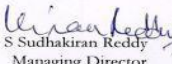

Suchita Dugar  
Company Secretary &  
Compliance officer

**AUDITED CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2022**

<b>ADROIT INFOTECH LIMITED</b> Plot No 7A, MLA Colony, Road No: 12, Banjara Hills, Hyderabad -500034 Consolidated Balance Sheet as at March 31, 2022			
Particulars	Note No	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	1,23,42,158	27,73,991
(b) Goodwill	2	-	-
(c) Other intangible assets	2	7,69,70,901	8,65,81,551
(e) Financial Assets		-	-
(f) Investments		-	-
(f) Deferred tax Assets (net)	3	29,50,661	28,42,011
(g) Other non-current Assets	4	1,58,07,623	-
<b>Total Non-Current Assets</b>		<b>10,80,71,343</b>	<b>9,21,97,553</b>
<b>Current Assets</b>			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade Receivables	5	2,94,94,455	4,21,18,007
(ii) Cash & Cash Equivalents	6	29,167	30,988
(iii) Bank Balances other than (ii) above		6,21,462	2,54,000
(iv) Loans	7	2,84,35,000	15,02,892
(v) Others (Int accrued on employee loans & term deposits)		-	-
(c) Current Tax Assets (Net)	8	82,84,016	83,05,622
(d) Other Current Assets	9	1,77,721	2,27,785
<b>Total Current Assets</b>		<b>6,70,41,822</b>	<b>5,24,39,294</b>
<b>TOTAL ASSETS</b>		<b>17,51,13,166</b>	<b>14,46,36,847</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	10	18,26,73,720	18,26,73,720
(b) Other Equity	11	(11,34,20,572)	(12,03,22,806)
<b>Total Equity</b>		<b>6,92,53,148</b>	<b>6,23,50,914</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	89,50,570	39,44,097
(ii) Trade Payables	13	20,59,541	21,54,581
(iii) Other Financial Liabilities	14	4,79,97,588	3,20,92,850
(b) Provisions	15	6,61,702	-
(c) Deferred Tax Liabilities		-	-
(c) Other non-current liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>5,96,69,402</b>	<b>3,81,91,528</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	89,99,334	89,79,541
(ii) Trade payables	17	77,56,722	18,49,769
(iii) Other Financial Liabilities		-	-
(b) Provisions	18	20,24,912	48,46,943
(c) Current Tax Liabilities (net)	19	15,63,319	18,91,116
(d) Other current liabilities	20	2,58,46,327	2,65,27,036
<b>Total Current Liabilities</b>		<b>4,61,90,615</b>	<b>4,40,94,405</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,51,13,166</b>	<b>14,46,36,847</b>
<b>Basis of Preparation &amp; Significant Accounting Policies</b>	1		
For Niranjana & Narayan Chartered Accountants Firm Registration Number : 005899S  P Venumadhava Rao Partner Membership Number : 202785  Place: Hyderabad Date: 21-May-2022		for and on behalf of Adroit Infotech Limited  S Sudhakiran Reddy Managing Director DIN 01436242  P V Lakshmi Reddy Director DIN 01108707  Mohammed Salam Chief Finance officer  Suchita Dugga Company Secretary & Compliance officer	



**AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST MARCH, 2022**

ADROIT INFOTECH LIMITED		
Consolidated Cash Flow Statement For The Year Ended March 31, 2022		
	(In Rupees)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	60,77,766	2,72,223
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>		
Adjustments for		
Depreciation and amortisation expense	1,08,49,412	1,09,21,435
Interest and other Income	11,50,118	4,67,271
Finance costs (net)	-	-
	<b>1,80,77,296</b>	<b>1,16,60,929</b>
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
Increase/ (Decrease) in Short Term Borrowings	50,26,266	(2,81,234)
Increase/ (Decrease) in Trade payables	58,11,913	(18,90,441)
Increase/ (Decrease) in Other Current Liabilities	(6,80,709)	(2,56,95,500)
Increase/ (Decrease) in Current Tax Liabilities	(3,27,797)	3,27,798
Increase/ (Decrease) in Non-Current Liabilities	1,59,04,738	-
Increase/ (Decrease) in Long Term Provisions	6,61,702	(9,79,246)
Increase/ (Decrease) in Short Term Provisions	(28,22,031)	4,63,690
Increase/ Decrease in Trade receivables	1,26,23,551	(1,08,39,619)
Increase/ Decrease in Other Non-Current Assets	(1,58,07,623)	1,82,525
Increase/ Decrease in Short Term Loans and advances	(2,69,32,108)	(11,52,705)
Increase/ Decrease in Current Tax Assets	21,605	51,22,927
Increase/ Decrease in Other Current Assets	50,063	39,22,071
<b>Cash generated from operations</b>	<b>1,16,06,867</b>	<b>(1,91,58,805)</b>
Interest Paid	-	-
Direct Taxes	-	(3,27,797)
<b>Net cash inflow from operating activities</b>	<b>1,16,06,867</b>	<b>(1,94,86,602)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,08,06,929)	1,98,99,897
Proceeds/purchase on or Investments	7,15,820	-
Interest Income	(11,50,118)	(4,67,271)
<b>Net cash outflow from investing activities</b>	<b>(1,12,41,227)</b>	<b>1,94,32,626</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
Proceeds from issue of shares	-	-
Interest paid	-	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,65,641</b>	<b>(53,977)</b>
Cash and cash equivalents at the beginning of the financial year	2,84,988	3,38,965
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>6,50,629</b>	<b>2,84,988</b>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>For Niranjana &amp; Narayan Chartered Accountants Firm Registration Number : 0058998</p> <p> P Venumadhava Rao Partner Membership Number : 202785</p> <p>Place: Hyderabad Date: 21-May-2022</p> </div> <div style="width: 45%; text-align: center;"> <p>for and on behalf of Adroit Infotech Limited</p> <p> S Sudhakiran Reddy Managing Director DIN 01436242</p> <p> P V Lakshma Reddy Director DIN 01108707</p> </div> </div>		

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2022**

ADROIT INFOTECH LIMITED						
Registered office: Plot No. 7A, Road No. 12, MLA Colony, Banjara Hills, Hyderabad - 500 034						
CIN: L72300TG1990PLC011129, (Scrip Code: BSE-532172, NSE- ADROITINFO)						
Tel: +91-40-23552284/85/86, Fax: +91-40-233552283, www.adroitinfotech.com, e-mail : cs@adroitinfotech.com						
Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months Ended 31st December 2022						
All amounts in Indian Rupees Lakhs, except share data						
Sl.No.	Particulars	Quarter Ended		Nine Months Ended		Year Ended
		31-Dec-22	30-Sep-22	31-Dec-22	31-Dec-21	31-Mar-22
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	Audited
	(Refer Notes below)					
1	Income from operations	133.00	137.23	125.74	384.25	546.53
2	Other income	1.09	3.16	3.89	4.95	3.89
3	<b>Total Income (1+2)</b>	<b>134.09</b>	<b>140.39</b>	<b>129.63</b>	<b>389.20</b>	<b>550.43</b>
4	<b>EXPENSES</b>					
a	Employee benefits expense	24.62	24.34	44.46	87.27	205.08
b	Finance costs	3.98	4.19	2.98	12.36	10.13
c	Depreciation and amortization expense	29.21	29.29	19.07	87.36	71.53
d	Other expenses	38.87	31.24	24.55	89.23	89.14
	<b>Total expenses (4)</b>	<b>96.68</b>	<b>89.05</b>	<b>91.06</b>	<b>276.21</b>	<b>375.88</b>
5	<b>Profit/(loss) before exceptional items and tax (3-4)</b>	<b>37.41</b>	<b>51.34</b>	<b>38.57</b>	<b>113.00</b>	<b>174.55</b>
6	Exceptional items	-	-	-	-	6.69
7	<b>Profit/ (loss) before exceptions items and tax(5-6)</b>	<b>37.41</b>	<b>51.34</b>	<b>38.57</b>	<b>113.00</b>	<b>174.55</b>
8	Tax expense	-	-	-	-	35.36
(1)	Current tax	-	-	-	-	-
(2)	Deferred tax	(1.01)	(1.95)	-	(2.96)	(1.09)
9	<b>Profit/(loss) for the period for the period/year (7+8)</b>	<b>38.42</b>	<b>53.29</b>	<b>38.57</b>	<b>115.96</b>	<b>139.19</b>
10	<b>Other comprehensive income (net of tax)</b>	-	-	-	-	-
	Items will be not reclassified subsequently to Profit or Loss	-	-	-	-	-
	Actuarial loss/(gain) on defined benefit obligation	-	-	-	-	-
	Items will be reclassified subsequently to Profit or Loss	-	-	-	-	-
	Exchanges differences on translation of foreign operations	-	-	-	-	-
11	<b>Total Comprehensive Income for the period (9+10)</b>	<b>38.42</b>	<b>53.29</b>	<b>38.57</b>	<b>115.96</b>	<b>139.19</b>
12	<b>Paid-up equity share capital (Face Value of Rs.10/-each)</b>	<b>1,928.91</b>	<b>1,826.74</b>	<b>1,826.74</b>	<b>1,928.91</b>	<b>1,826.74</b>
13	<b>Earnings per share (before extraordinary items)</b>					
	(Face value of Rs.10/- each) (not annualized)					
a)	Basic (in Rs.)	0.20	0.29	0.21	0.60	0.76
b)	Diluted (in Rs.)	0.20	0.29	0.21	0.60	0.76

**Notes:**

- The Unaudited Standalone Results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules thereunder, other accounting principles generally accepted in India and regulations issued by the Securities and Exchange Board of India ("SEBI").
- The above unaudited financial results for the Quarter and Nine Months ended 31st December 2022 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on 24th January 2023. The statutory auditors have carried out review of these Financial Results and have issued an unmodified report on these results.
- Segment Reporting - Sole business segment**  
Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments, the Company is primarily engaged in the business of SAP Support Services which the management recognizes as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly, not provided
- The figures for the previous period/year have been regrouped/reclassified, wherever necessary.
- The Company has allotted 20,00,000/- (Twenty Lakhs) Equity Shares at Preferential allotment dated 16th November 2022. The said shares are pending for approval from stock exchanges (BSE/NSE) for trading approval purpose. For the purpose of Company's Earning per share the said shares are considered on prorata basis.
- The Code on Social Security, 2020 ("the Code") has been enacted, which may impact the employee related contributions made by the Group. The Effective date from which the change are applicable is yet to be notified. The Ministry of Labour and Employment ("the Ministry") has released draft rules for the Code on November 13, 2020. The Group will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code become effective and the related rules are published

Date : 24-Jan-2023  
Place: Hyderabad

For Adroit Infotech Limited  
Sudhakiran Reddy  
Managing Director  
DIN: 01436242



**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2022**

ADROIT INFOTECH LIMITED						
Registered office: Plot No. 7A, Road No. 12, MLA Colony, Banjara Hills, Hyderabad - 500 034						
CIN: L72300TG1990PLC011129, (Scrip Code: BSE-532172, NSE- ADROITINFO)						
Tel: +91-40-23552284/85/86, Fax: +91-40-233552283, www.adroitinfotech.com, e-mail : cs@adroitinfotech.com						
Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31st December 2022						
Sl.No.	Particulars	Consolidated				
		Quarter Ended		Nine Months Ended		Year Ended
	(Refer Notes below)	31-Dec-22 (Unaudited)	30-Sep-22 (Unaudited)	31-Dec-21 (Unaudited)	31-Dec-21 (Unaudited)	31-Mar-22 Audited
1	Income from operations	563.42	646.21	125.74	1,790.75	637.10
2	Other income	6.61	8.08	3.89	19.03	11.50
3	<b>Total Income (1+2)</b>	<b>570.03</b>	<b>654.29</b>	<b>129.63</b>	<b>1,809.78</b>	<b>648.60</b>
4	<b>EXPENSES</b>					
a	Employee benefits expense	301.35	243.06	44.46	794.87	321.17
b	Finance costs	4.13	4.33	2.98	12.74	17.20
c	Depreciation and amortization expense	31.41	31.38	19.07	91.65	108.49
d	Other expenses	84.61	111.40	24.55	281.67	134.27
	<b>Total expenses (4)</b>	<b>421.50</b>	<b>390.16</b>	<b>91.06</b>	<b>1,180.92</b>	<b>581.13</b>
5	<b>Profit/(loss) before exceptional items and tax (3-4)</b>	<b>148.53</b>	<b>264.12</b>	<b>38.57</b>	<b>628.86</b>	<b>67.47</b>
6	Exceptional items	-	-	-	-	6.69
7	<b>Profit/ (loss) before exceptions items and tax(5-6)</b>	<b>148.53</b>	<b>264.12</b>	<b>38.57</b>	<b>628.86</b>	<b>60.78</b>
8	Tax expense					
(1)	Current tax	40.23	27.36	-	67.59	35.36
(2)	Deferred tax	(1.01)	(1.95)	-	(2.96)	(1.09)
9	<b>Profit/(loss) for the period/year (7+8)</b>	<b>109.31</b>	<b>238.71</b>	<b>38.57</b>	<b>564.22</b>	<b>61.87</b>
10	<b>Other comprehensive income period/year (net of tax)</b>					
	Items will be not reclassified subsequently to Profit or Loss	-	-	-	-	-
	Actuarial loss/(gain) on defined benefit obligation	-	-	-	-	-
	Items will be reclassified subsequently to Profit or Loss	-	-	-	-	-
	Exchanges differences on translation of foreign operations	-	-	-	-	-
11	<b>Total Comprehensive Income for the period (9+10)</b>	<b>109.31</b>	<b>238.71</b>	<b>38.57</b>	<b>564.22</b>	<b>61.87</b>
12	<b>Paid-up equity share capital (Face Value of Rs.10/-each)</b>	<b>1,928.91</b>	<b>1,826.74</b>	<b>1,826.74</b>	<b>1,928.91</b>	<b>1,826.74</b>
13	<b>Earnings per share (before extraordinary items)</b>					
	(Face value of Rs.10/-each) (not annualized)					
a)	Basic (in Rs.)	0.57	1.31	0.21	2.93	0.34
b)	Diluted (in Rs.)	0.57	1.31	0.21	2.93	0.34

**Notes:**

- The Un-Audited Consolidated Financial Results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules thereunder, other accounting principles generally accepted in India and regulations issued by the Securities and Exchange Board of India ("SEBI").
- The above unaudited financial results for the Quarter and Nine Months ended 31st December 2022 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on 24th January 2023. The statutory auditors have carried out review of these Financial Results and have issued an unmodified report on these results.
- The Group has opted to publish the Unaudited Consolidated Financial Results for the Quarter and Nine Months ended 31st December 2022, Investor can view the Unaudited Standalone Financial Results on the Company's website "www.adroitinfotech.com".
- Segment Reporting - Sole business segment**  
Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments, the Company is primarily engaged in the business of SAP Support Services which the management recognizes as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly, not provided
- The figures for the previous period/year have been regrouped/reclassified, wherever necessary.
- The Holding Company has allotted 20,00,000/- (Twenty Lakhs) Equity Shares at Preferential allotment dated 16th November 2022. The said shares are pending for approval from stock exchanges (BSE/NSE) for trading approval purpose. For the purpose of Company's Earning per share the said shares are considered on prorata basis.
- The Code on Social Security, 2020 ("the Code") has been enacted, which may impact the employee related contributions made by the Group, The Effective date from which the change are applicabel is yet to be notified. The Ministry of Labour and Employment ("the Ministry") has released draft rules for the Code on November 13, 2020. The Group will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code become effective and the related rules are published

For Adroit Infotech Limited

*Sudhakaran Reddy*  
Sudhakaran Reddy  
Managing Director  
DIN: 01436242



Date : 24-Jan-2023  
Place: Hyderabad



## GENERAL INFORMATION

Our Company was originally incorporated on 19<sup>th</sup> March, 1990 under the Companies act 1956 in the name and style of "Rusoday Mutual Funds Limited". Further, name of the Company was changed from "Rusoday Mutual Funds Limited" to "Rusoday Finance Limited" vide fresh Certificate of Incorporation dated 04<sup>th</sup> June, 1996 issued by the Registrar of Companies, Andhra Pradesh, Hyderabad. Later on, the name of the Company was changed to "Global Fiscals Limited" vide fresh Certificate of Incorporation dated 06<sup>th</sup> June, 1996 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to "Arham Fiscals Limited" vide fresh Certificate of Incorporation dated 28<sup>th</sup> April, 1997 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to "Color Chips (India) Limited" vide fresh Certificate of Incorporation dated 05<sup>th</sup> January, 2000 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to "Sphere Global Services Limited" vide fresh Certificate of Incorporation dated 01<sup>st</sup> October, 2014 issued by Registrar of Companies, Hyderabad, Telangana. The name of the Company was further changed to "Adroit Infotech Limited" vide fresh Certificate of Incorporation dated 01<sup>st</sup> October, 2014 issued by Registrar of Companies, Hyderabad, Telangana. The Corporate Identification Number (CIN) of the Company is L72300TG1990PLC011129.

## OFFICE(S) OF OUR COMPANY

### REGISTERED OFFICE

#### ADROIT INFOTECH LIMITED

# Plot No. 7A, MLA Colony, Road No. 12,  
Banjara Hills Hyderabad, Telangana - 500034

CIN: L72300TG1990PLC011129

Email: [cs@adroitinfotech.com](mailto:cs@adroitinfotech.com)

Website: [www.adroitinfotech.com](http://www.adroitinfotech.com)

Tel: +91-40-23552284/85/86

## ADDRESS OF REGISTRAR OF COMPANIES

Registrar of Companies, Hyderabad, Telangana

Address: GSI Post, Tattianaram, Corporate Bhawan Rd, Bandlaguda, Nagole, Hyderabad, Telangana 500068.

## CHANGES IN REGISTERED OFFICE

There is no change in the registered office of the Company in last three years from the date of this Draft Letter of offer.

## BOARD OF DIRECTORS OF OUR COMPANY

NAME	DESIGNATION	DIN	PAN	ADDRESS
Sudhakiran Sunkerneni Reddy	Managing Director	01436242	AEAPS7746F	Plot No. 47, Road No. 7, Prashasan Nagar, Jubilee Hills, Hyderabad - 500033, Telangana

NAME	DESIGNATION	DIN	PAN	ADDRESS
Sridhar Pyata Reddy	Non-Executive and Non-Independent Director	07268714	AILPP1229R	16-2-742/F/1/3 1632, Venkatadri Nagar Colony, Asmangadh, Hyderabad - 500036.
Sunkireddy Rajashekar Reddy	Non-Executive and Non-Independent Director	06983058	FSFPS6083H	2-44, Mudireddipally, Kosgi Mandal, Gundmal, Mahabubnagar - 509339
Sunder Raj Nyayapathi	Non-Executive and Independent Director	01679215	ABSPN6031D	16-2-751/A/31/B/59, Road No. 3, Tirumala Hills, Asman Gadh, Malakpet Colony, Hyderabad 500036, Telangana
Sunitha Kuchakulla	Non-Executive and Independent Director	07502066	EHZPK7845F	Flat No. 207, Ashoka Chandra, Enclave, Red Hills, Khairtabad, Hyderabad 500004, Telangana
Patlola Venkata Lakshma Reddy	Non-Executive and Independent Director	01108707	AIBPP4355L	Flat No. 402 Eternal Smrithi Apartment, Aziz Bagh, Bagh Amberpet, Hyderabad 500013, Telangana

For more details, please see the section titled “Our Management” on page 101 of this Draft Letter of Offer.

#### COMPANY SECRETARY & COMPLIANCE OFFICER:

**Mr. Piyush Prajapati**  
# Plot No. 7A, MLA Colony, Road No. 12,  
Banjara Hills Hyderabad, Telangana - 500034  
**Email:** [cs@adroitinfotech.com](mailto:cs@adroitinfotech.com)  
**Website:** [www.adroitinfotech.com](http://www.adroitinfotech.com)  
**Tel:** +91-40-23552284/85/86

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see “Terms of the Issue” beginning on page 143 of this Draft Letter of Offer.

#### CHIEF FINANCIAL OFFICER:

**Mr. Ravichandra Rao**  
# Plot No. 7A, MLA Colony, Road No. 12,  
Banjara Hills Hyderabad, Telangana - 500034  
Email: [cfo@adroitinfotech.com](mailto:cfo@adroitinfotech.com)  
Website: [www.adroitinfotech.com](http://www.adroitinfotech.com)  
Tel: +91-40-23552284/85/86

#### CHIEF EXECUTIVE OFFICER:

**Mr. Arvind Dwivedi**  
# Plot No. 7A, MLA Colony, Road No. 12,  
Banjara Hills Hyderabad, Telangana - 500034  
Email: [arvind.dwivedi@adroitinfotech.com](mailto:arvind.dwivedi@adroitinfotech.com)  
Website: [www.adroitinfotech.com](http://www.adroitinfotech.com)  
Tel: +91-40-23552284/85/86

#### ADVISOR TO THE ISSUE:

**Navigant Corporate Advisors Limited**  
423, A Wing, Bonanza, Sahar Plaza Complex,  
J B Nagar, Andheri Kurla Road,  
Andheri East, Mumbai-400 059  
Tel. No. +91-22-41204837/49735078  
Email Id- [navigant@navigantcorp.com](mailto:navigant@navigantcorp.com)  
Investor Grievance Email: [info@navigantcorp.com](mailto:info@navigantcorp.com)  
Website: [www.navigantcorp.com](http://www.navigantcorp.com)  
SEBI Registration Number: INM000012243  
Contact Person: Mr. Sarthak Vijlani

#### REGISTRAR TO THE ISSUE

**Venture Capital and Corporate Investments Private Limited**  
“AURUM”, D No.4-50/P-II/57/4F & 5F, 4th & 5th Floors, Plot No.57,  
Jayabheri Enclave Phase - II, Gachibowli, Serilingampally,  
Hyderabad - 500 032. Ranga Reddy Dist., Telangana.  
Tel No.: +91 040-23818475/23818476/23868023  
Fax No.: +91 040-23868024  
Website: [www.vccipl.com](http://www.vccipl.com)  
E-mail ID: [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com)  
Contact Person: Mr. P V Srinivasa Rao  
SEBI Registration No: INR000001203

#### STATUTORY AUDITORS:

**M/s. Rao and Shyam**  
Chartered Accountants  
Flat No 313, Door No 5-9-13, Taramandal Complex,  
Saifabad-khairatabad, Hyderabad - 500004

Email: [hyd@randsca.com](mailto:hyd@randsca.com)  
Tel: +91 6300463397  
Website: [www.randsca.in](http://www.randsca.in)  
Contact Person: Kandarp Kumar Dudhoria  
Firm Registration No.: 006186S

#### **EXPERTS**

Our Company has not obtained any expert opinion.

#### **BANKER TO THE ISSUE AND REFUND BANK:**

[•]

#### **SELF-CERTIFIED SYNDICATE BANKS**

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

#### **Credit rating**

This being a Rights Issue of Equity Shares, no credit rating is required.

#### **Debenture Trustee**

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

#### **Monitoring Agency**

Since the size of the Issue is less than Rs. 10,000 Lakh, our Company is not required to appoint a monitoring agency.

#### **Appraising Agency**

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

#### **Underwriting**

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

#### **Minimum Subscription**

The objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project. However, our promoter has indicated that they will not subscribe fully to their portion of right entitlement. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is applicable to the Issue.

#### FILLING OF THIS DRAFT LETTER OF OFFER:

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, this Draft Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

#### ISSUE SCHEDULE:

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

<b>Issue Opening Date</b>	[•]
<b>Last Date of Market renunciation of rights entitlements*</b>	[•]
<b>Issue Closing Date**</b>	[•]

*\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*\*\*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [•] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [•].

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. For details on submitting Application Forms, see "Terms of the Issue - Process of making an Application in the Issue" beginning on page 144 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com) after keying in their respective details along with other security control measures implemented thereat. For further details, see "Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" beginning on page 156 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after



the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

#### **Changes in Auditors during the last three years**

There has been no change in the statutory auditors of our Company during the three years immediately preceding the date of Draft Letter of Offer except M/s Rao & Shyam were appointed as the Statutory Auditor of the company for a period of five years from the FY 2022-23 to 2026-27.

## CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Letter of Offer is set forth below:

(Rs. in Lakh, except the shares data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	6,50,00,000 Equity Shares of Rs. 10 each	6,500.00	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE</b>		
	2,02,67,372 Equity Shares of Rs. 10 each	2,026.74	-
<b>C.</b>	<b>PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS DRAFT LETTER OF OFFER <sup>(1)</sup></b>		
	Upto [●] Equity Shares at an Issue Price of Rs. [●] per Equity Share	[●]	[●]
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE <sup>(2)</sup></b>		
	Upto [●] Equity Shares of face value of Rs. 10 each paid up	[●]	[●]
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue	510.00	
	After the Issue	[●]	

(1) The Issue has been authorized by a resolution of our Board passed at its meeting held on 09<sup>th</sup> May, 2023 pursuant to Section 62 of the Companies Act, 2013.

(2) Assuming full subscription for and allotment of the Rights Entitlement. Please note that the Payment Schedule and the right to call up the remaining paid-up capital in one or more calls will be as determined by our Board at its sole discretion.

### Notes to the Capital Structure:

- Our Company, pursuant to the resolutions passed by our Board and Shareholders in its meetings, dated February 28, 2023 and March 29, 2023 respectively, adopted the “**AIL ESOP- 2023**”. Our Company has not issued any equity shares under ESOP 2023 as on the date of this Draft Letter of Offer.
- As on the date of this Draft Letter of Offer, there are outstanding 45,00,000 Equity Share Warrants which provides the right to convert the Equity Share warrants into Equity Shares.
- Shareholding of Promoter and Promoter Group:**

The details of specified securities held by the Promoter and Promoter Group including the details of lock-in, pledge and encumbrance on such securities as on the December 31, 2022 date of this Draft

Letter of Offer are set forth hereunder:

Sr. No.	Name of the Promoter & Promoter Group	Category	No. of Equity Shares held	% of total share capital	Details of Equity Shares Pledged / encumbered		Details of Equity Shares locked-in	
					No. of Equity Shares	% of total share capital	No. of Equity Shares	% of total share capital
1.	Sudhakiran Reddy Sunkerneni	Promoter	20,49,419	10.11	-	-	20,49,419	10.11
2.	Softpoint Technologies Private Limited	Promoter Group	84,80,795	41.84	-	-	-	-
3.	Jokeman Media And Entertainment Private Limited	Promoter Group	-	-	-	-	-	-

None of the Equity Shares held by our Promoter and Promoter Group are pledged with any bank or institution, locked-in or otherwise encumbered.

4. Equity Shares have been acquired by the Promoter or members of the Promoter Group in the year immediately preceding the date of this Draft Letter of Offer as follows:

Sr. No.	Name of the Promoter & Promoter Group	Category	Transaction period	No. of Equity Shares
1.	Sudhakiran Reddy Sunkerneni	Promoter	16.11.2022	10,00,000

#### 5. Intention and extent of participation in the Issue by the Promoter and Promoter Group

The Promoter of our Company have, vide their letters dated 08<sup>th</sup> May, 2023 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement. Further, the promoter has confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 63 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

Further, with respect to the Minimum subscription, this is to submit that the objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project, However, our promoter has confirmed that they will not subscribe fully to their portion of right entitlement. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, our Company would require to achieve minimum subscription of at least 90% of the issue.

6. All the Equity Shares of our Company are fully paid-up as on the date of this Draft Letter of Offer.

Further, the Equity Shares offered in the Rights Issue shall be made fully paid at the time of their allotment.

7. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.
8. The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is [●].
9. The details of the shareholders holding more than 1% of the share capital of the Company as on December 31, 2022 are as under:

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of total share capital
1	Softpoint Technologies Private Limited	84,78,895	41.84
2	Sudhakiran Reddy Sunkerneni	10,49,389	5.18
3	Vijay Kumar Maistry	3,00,000	1.48
4	Manish Kanaiyalal Shah Darshana Manish Shah	3,00,000	1.48
5	Riddhima Kaur Chadha	2,70,300	1.33
6	Pranav Reddy Vadiyala	2,34,381	1.16

#### 10. Shareholding Pattern of our Company

Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on March 31, 2023 can be accessed on the website of the BSE and NSE respectively at <https://www.bseindia.com/stock-share-price/adroit-infotech-ltd/adroitinfo/532172/shareholding-pattern/>  
<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=ADROITINFO&tabIndex=equity>

The statement showing the holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” as on March 31, 2023 can be accessed on the website of the BSE and NSE respectively at

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532172&qtrid=116.00&QtrName=Mar-23>  
<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=ADROITINFO&tabIndex=equity>

The Statement of showing the details of shares pledged, encumbrance by promoter and promoter group as on March 31, 2023 can be accessed on the website of BSE and NSE respectively at

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532172&qtrid=116.00&QtrName=Mar-23>  
<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=ADROITINFO&tabIndex=equity>

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects.

1. Towards Expansion of Business;
  2. To pay off other non -current liabilities;
  3. To part finance the requirement of Working Capital;
  4. Acquisitions of Businesses in similar or complementary space;
  5. To meet General corporate purposes;
  6. To meet the expenses of the Issue.
- (Collectively, referred herein as the “objects”).

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

### Utilization of Net Proceeds

The details of the proceeds of the Issue are summarized below:

(Rs. In Lakhs)

S. No.	Particulars	Amounts*
1)	Gross Proceeds	Upto 4900.00
2)	(Less) Issue related expenses	[●]*
3)	<b>Net Proceeds</b>	<b>[●]*</b>

\* To be finalized on determination of Issue Price.

### FUND REQUIREMENTS

We intend to utilise the Net Proceeds from the Issue, in the manner set below:

(Rs. In lakhs)

Sr. No.	Particulars	Amounts	% of gross proceeds	% of Net proceeds
1.	Towards Expansion of Business	Upto 1750.00	[●]*	[●]*
2.	To pay off other non -current liabilities	Upto 755.00		
3.	To part finance the requirement of Working Capital	Upto 653.44	[●]*	[●]*
4.	Acquisitions of Businesses in similar or complementary space	Upto 1000.00	[●]*	[●]*
5.	To meet General corporate purposes.	[●]*	[●]*	[●]*
6.	To meet the expenses of the Issue.	[●]*	[●]*	[●]*
	<b>Total</b>	<b>4900.00*</b>	<b>[●]*</b>	<b>[●]*</b>

\* To be finalized on determination of Issue Price.

### Schedule of implementation/ Utilization of Issue Proceeds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

(Rs. In lakhs)

Sr. No.	Particulars	Amount Proposed to be Deployed from Issue Proceeds	Estimated Schedule of Deployment of Net Proceeds	Estimated Schedule of Deployment of Net Proceeds
			FY 2023-24	FY 2024-25
1.	Towards Expansion of Business	Upto 1750.00	[•]*	[•]*
2.	To pay off other non -current liabilities	Upto 755.00		
3.	To part finance the requirement of Working Capital	Upto 653.44	[•]*	[•]*
3.	Acquisitions of Businesses in similar or complementary space	Upto 1000.00	[•]*	[•]*
4.	To meet General corporate purposes	[•]*	[•]*	[•]*
5.	To meet the expenses of the Issue	[•]*	[•]*	[•]*
	<b>Total</b>	<b>4900.00*</b>	<b>[•]*</b>	<b>[•]*</b>

\* To be finalized on determination of Issue Price.

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, Our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

### **MEANS OF FINANCE:**

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans

or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “Risk Factors” beginning on page 26 of this Draft Letter of offer.

## **DETAILS OF THE OBJECTS**

The details of the objects of the Issue are set out below:

### **1. TOWARDS EXPANSION OF BUSINESS:**

Given the nature of our operations, we are continuously required to expand our strength in terms of sales and marketing offices with pre sales capabilities, development centers to support existing and/or expansion of business.

We are required to expand team, expertise and capabilities by entering into new market segments and/or entering new geographies, in order to improve our efficiency, acquire new customers, leverage our existing customers and expand our offerings. For details in relation to our expansion, please see “Our Business”, beginning on page 95 of this Draft Letter of Offer.

We intend to expand our existing offices and/ or plan to set up new offices/ subsidiaries in geographies of Northern India, Western India, UK and Europe depending upon the locations being suitable for conducting operations as well as depending on the demand and scalability of business opportunities in those geographies.

Being present in a geography locally helps us acquire new customers, get better service rates, and strengthen our relationship with local teams. Hence, we intend to open Five (5) Additional Offices / Development Centers.

Hiring and recruiting the intended manpower at different level for the expansion and development of our business activities may require substantial investments and requisite training.

We intend to utilize up to Rs. 1,000 Lakhs out of the issue proceeds Lacs from the proceeds of this Issue for the purpose of expansion of business.

Our Board, by way of resolution passed in its meeting dated 06<sup>th</sup> September, 2022 noted the requirement for an amount of Rs. 1,000 Lacs proposed to be incurred as expenditure towards expansion of business and setting up of development centers and opening of Offices catering to the envisaged expansion.

### **Indicative break-up of costs as estimated by Management is as under:**

<b>Particulars</b>	<b>Amount (Rs. in Lacs)</b>
*Cost of Development of Each Office / Development Centre with capacity to accommodate the envisaged expansion of up to 100-member team over a period of next 12-24 months.	200.00



<i>Costs computed on basis of area of 80 Sq feet per occupant, and cost of ₹ 2500 for the interiors, networking and utilities: 100 x 80 x 2500</i>	
<i>**Hardware and requisite software licenses costs Current average cost of a laptop i7, 16GB memory, 1TB storage with 3-year onsite warranty, plus 3 years license cost of needed software comes to ~ 75,000 per machine for 100 Members</i>	75.00
Investments in Cost of Recruitment, Training, Pre-Sales & Project Management capacity	75.00
Total cost for Each Office / Development Centre (A)	<b>350.00</b>
No of Intended Office / Development Centre (B)	<b>5</b>
Total Cost for Expansion of Business (A*B)	<b>1750.00</b>

The actual deployment of funds towards will depend on a number of factors, including the timing, nature, size and number of initiatives undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. Further, the intended investment is based on estimates and the decisions of the management. In order to leverage the market opportunities, our Company may also explore opportunities to set up new subsidiaries in new geographies. Expansion of business being the most crucial factor for the growth of the company, all avenues organic/ inorganic will be explored and thoughtfully executed.

## 2. TO PAY OFF OTHER NON CURRENT LIABILITIES:

Company has entered into the Share Purchase Agreement dated 28<sup>th</sup> February, 2022 with Verso Altima India Private Limited and all its Shareholders to acquire 5,00,000 shares (100.00% stake) aggregating to Rs. 1405.00 Lakhs out of which Rs.650.00 Lakhs has been paid. As on date of this DLOF, outstanding other non-current liabilities amounting to Rs.755.00 Lakhs to be paid to Shareholders of Verso Altima India Private Limited (pursuant to share purchase agreement as mentioned above).

Accordingly, we propose to utilize upto Rs. 755.00 Lakhs out of the issue proceeds to pay off other non-current liabilities.

## 3. TO PART FINANCE WORKING CAPITAL REQUIREMENTS OF THE COMPANY:

Details of Estimation of Working Capital requirement are as follows:

(Rs. In lakhs)

Sr. No.	Particulars	31.03.2020	31.03.2021	31.03.2022	30.09.2022	31.03.2024	31.03.2025
		Audited	Audited	Audited	Unaudited	Estimated	Estimated
<b>A.</b>	<b>Current Assets</b>						
	Trade Receivable	312.78	421.18	294.94	344.93	550.00	800.00
	Cash & Bank Balances	2.55	2.01	6.51	48.08	50	50
	Other financial assets	-	-	-	-		
	Loans	1.30	<b>15.03</b>	284.35	288.37	0	0
	Current tax assets	134.29	83.06	82.84	88.1	125	140
	Other Current Assets	43.70	<b>2.28</b>	1.78	5.14	10	20

Sr. No.	Particulars	31.03.2020	31.03.2021	31.03.2022	30.09.2022	31.03.2024	31.03.2025
		Audited	Audited	Audited	Unaudited	Estimated	Estimated
	<b>Total Current Assets</b>	<b>494.62</b>	<b>523.55</b>	<b>670.42</b>	<b>774.62</b>	<b>735.00</b>	<b>1,010.00</b>
<b>B.</b>	<b>Current Liabilities</b>						
	Trade payable	58.95	18.50	77.57	57.61	50	70
	Other current liabilities & Provisions	1,034.67	403.54	368.71	639.82	150	200
	Current tax liabilities	-	18.91	15.63	15.63	25	25
	<b>Total Current Liabilities</b>	<b>1,093.62</b>	<b>440.94</b>	<b>461.91</b>	<b>713.06</b>	<b>225</b>	<b>295</b>
<b>C.</b>	<b>Working Capital Gap (A-B)</b>	<b>(599.00)</b>	<b>82.61</b>	<b>208.51</b>	<b>61.56</b>	<b>510.00</b>	<b>715.00</b>
<b>D.</b>	<b>Owned Funds / Internal Accruals / Bank Borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E.</b>	<b>Working Capital funding through Issue Proceeds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>448.44</b>	<b>205.00</b>

**Justification for utilization of Issue proceeds for finance the Working Capital requirement:**

Our Business is a working capital-intensive industry. The increasing operations of our company will in turn lead to the increase in the requirement of working capital. The lead time for procuring the products is high and also in order to ensure readily available customized product along with a low lead time for our clients, we enjoy a lower credit period. Further, we are required to provide sufficient credit period to our clients resulting in high receivables and we enjoy minimum credit from our suppliers through against the same. We intend to increase our turnover over the years for which we would be required to provide extended credit period to our customers, but the credit period that we avail from our suppliers shall not increase substantially. This would require us to have adequate working capital to ensure a smooth and uninterrupted flow of our business operations. Accordingly, we expect a further increase in the working capital requirements in view of current and potential business operations that we may undertake.

Accordingly, we expect a further increase in the working capital requirements in view of current and potential business operations that we may undertake. Accordingly, we have proposed to use upto Rs. 653.44 Lakhs out of the issue proceeds to meet the working capital requirements.

**Assumption, Holding level and Justification for Working Capital**

<b>Trade Receivables / Debtors /</b>	We have assumed Trade Receivable holding period level of 35-40 days in financial year 2021-22 and as we are expecting to allow more lenient credit period to our clients. Our Company has estimated the holding level for Trade Receivable as 45 days of revenue from operations for the Financial Year 2023-24 and 2024-25, considering normal credit period.
<b>Trade Payables / Creditors</b>	In financial year 2021-22, Our payable's credit period was around 25-30 days as our company strive to adhere to stricter credit policy to achieve better and favorable pricing terms and to ensure continued relations with the existing supplier by making early payments to the suppliers (i.e.

	<p>availing lower credit periods). Thus, the Company has estimated lower credit period of 25-30 days in a FY 2023-24 and FY 2024-25 which would in turn help in reducing the cost of sales and improve profitability margins.</p>
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#### 4. ACQUISITIONS OF BUSINESSES IN SIMILAR OR COMPLEMENTARY SPACE:

Speed of growth is always vital to leveraging opportunities to their fullest. The fields of Digital Transformation, Business Applications, Data & AI have been rapidly changing and growing in the recent past. The Company management is actively working to identify acquisition targets that will further enhance or complement our ability to service our customers. A potential acquisition will give us the ability to bring additional offerings to our customers - hence take a bigger share of their wallet - and/or enable us reach a new set of customers rapidly.

While companies working in the SAP Consultancy - which is what we do - are obvious candidates for acquisition, following are some additional areas that are complementary, and go together with our current offerings. Companies working in these areas therefore become acquisition targets of interest to us:

1. Artificial Intelligence
2. Security Solutions
3. Data Analytics

In compliance with the SEBI ICDR Regulations towards making an acquisition, the company envisages to utilize upto Rs. 1,000 Lakhs out of the issue proceeds towards making an acquisition. This is going to be very vital for the company to grow rapidly in the coming years.

#### 5. TO FINANCE THE GENERAL CORPORATE PURPOSE:

The Net Proceeds will first be utilized towards the Objects set out above, as well as meeting the Issue-related expenses. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds of [●]\* Lakhs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time. We confirm that utilization for general corporate purposes will not exceed 25% of the Gross Proceeds of the Issue.

Such general corporate purposes may include, but are not restricted to, the following:

- Strategic initiatives, including investments or acquisitions, from time to time;
- Brand building, promotional and outreach activities;
- Strengthening our infrastructure and systems and processes, in-house training initiatives, etc.;
- Repayment of present or future loans;
- Research and Development;
- Ongoing general corporate purposes or exigencies, as approved by the Board, subject to compliance with applicable law.

Our management will have flexibility in utilizing any amounts for general corporate purposes in accordance with policies of our Board. The quantum of utilization of funds towards any of the purposes mentioned above will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

*\* To be finalized on determination of Issue Price.*

## 6. ISSUE RELATED EXPENSES:

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] \* Lakhs.

Particulars	Amount (Rs. in Lakhs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees, Payment to other intermediaries such as Registrar, Advisor to the Issue etc.	[●]*	[●]*	[●]*
Printing & Stationery, Distribution, Postage, etc.	[●]*	[●]*	[●]*
Advertisement & Marketing Expenses	[●]*	[●]*	[●]*
Regulatory & other expenses	[●]*	[●]*	[●]*
Miscellaneous Expenses	[●]*	[●]*	[●]*
<b>Total</b>	<b>[●]*</b>	<b>[●]*</b>	<b>[●]*</b>

\* To be finalized on determination of Issue Price.

### Details of funds already deployed till date and sources of funds deployed

The funds deployed up to April 30, 2023 pursuant to the object of this Issue as certified by M/s. Rao and Shyam, Chartered Accountants pursuant to their certificate dated May 08, 2023, is given below:

Deployment of funds	Amount (Rs. In Lakhs)
Issue Related Expenses	1.50
Object Related Expenses	-
<b>Total</b>	<b>1.50</b>

Sources of funds	Amount (Rs. In Lakhs)
Internal Accruals	1.50
Bank Finance	-
<b>Total</b>	<b>1.50</b>

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds.

## APPRAISAL BY APPRAISING AGENCY

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization.

#### **INTERIM USE OF FUNDS**

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

#### **MONITORING UTILIZATION OF FUNDS**

As the size of the Issue does not exceed Rs. 10,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a Quarterly yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year.

Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a Quarterly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Draft Letter of offer.

#### **CONFIRMATION REGARDING PURCHASE OF SECOND-HAND EQUIPMENT AND MACHINERY**

No second-hand equipment and machinery are proposed to be purchased by our Company from the Net Proceeds.

#### **OTHER CONFIRMATIONS**

No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, the Directors, associates or Key Management Personnel, except as stated above and in the normal course of business and in compliance with applicable.

## STATEMENT OF SPECIAL TAX BENEFITS

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY

To,  
The Board of Directors,  
ADROIT INFOTECH LIMITED  
# Plot No. 7A, MLA Colony, Road No. 12,  
Banjara Hills Hyderabad, Telangana - 500034

Dear Sirs,

**Subject: Statement of Possible Special tax benefits ("the Statement") available to Adroit Infotech Limited ("the company"), its certain material subsidiary (Verso Altima India Private Limited) and the shareholders of the company under the applicable tax laws in India in connection with the proposed offering of securities (ie., equity shares) in India through Rights Issue with a face value of Rs. 10/- each of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 2018, as amended (" Regulations").**

We, Rao & Shyam, Chartered Accountants the statutory auditors of the company hereby confirm that the enclosed Statement, prepared by Adroit Infotech Limited ("the Company") and initialled by us, for the proposed rights issue of equity share wherein face value each share being Rs. 10/-, provides the possible special tax benefits available to the Company and to the shareholders of the Company and its material subsidiary as identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, incorporated in India, namely Verso Altima India Private Limited ("Material Subsidiary"), under the respective Direct Tax Law<sup>1</sup> and Indirect Tax Laws<sup>2</sup>

<sup>1</sup>The Income-Tax Act, 1961 (the "IT Act") as amended from time to time.

<sup>2</sup>The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended from time to time, Foreign Trade Policy 2015-20 as extended till 31.03.2023 vide Notification No 37/2015-20 dated 29.09.2022. The Foreign Trade Policy, 2023 has been notified Vide Notification No 01/2023 and which has come into force from 01 April 2023.

As amended from time to time read with rules, regulations, circulars, and notifications issued in connection thereto, as presently in force in India as on the date of this certificate and, as amended by the Finance Act, 2023, applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25 (collectively the Direct Tax Laws and the Indirect Tax Laws are referred to as the "Taxation Laws").

As per the Schedule VI (Part A)(9)(L) of the Issue of Capital and Disclosure Requirements Regulations, 2018, as amended ("ICDR Regulations") a statement of special tax benefits (under direct and indirect tax laws) as available to the issuer, its shareholders, and its material subsidiaries is required to be made in the Letter of Offer ("LOF") by the issuer in case of a rights issue by a listed issuer. While the term 'special tax benefits' has not been defined under the ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Statement, Any benefits under the taxation laws

other than those specified in the Statement are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the Statement have not been examined and covered by this statement.

The benefits discussed in the enclosed Statement are not exhaustive, the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their Participation in the Issue.

These possible special tax benefits are dependent on the Company, its Certain material subsidiary and the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding Tax laws. Hence, the ability of the Company, its Certain material subsidiary and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company and its Certain material subsidiary may face in the future and accordingly, the Company, its Certain material subsidiary and the shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional and it would be at the discretion of the Company or its Certain material subsidiary or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

We do not express any Opinion or provide any assurance whether:

- i. The Company or its shareholders will continue to obtain these benefits in future;
- ii. The conditions prescribed for availing the benefits have been/would be met with;
- iii. The revenue authorities/courts will concur with the views expressed herein.

This statement is intended solely for information and for inclusion in the Letter of Offer in relation to the Right Issue of equity shares of the Company and is not to be used, circulated, or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

The contents of the enclosed statement is based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company and its Material Subsidiaries.

We have conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.



**Limitations:**

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and their interpretation, which are subject to change from time to time.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing tax laws in force in India and its interpretation, which are subject to change from time to time.

We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement. We shall not be liable to the Company and/or its certain material subsidiary for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company, its certain material subsidiary, and/or any other person in respect of this Statement, except as per applicable law.

**For M/s. Rao and Shyam**  
**Chartered Accountants**  
**Firm Registration No.- 006186S**  
**Sd/-**  
**Kandarp Kumar Dudhoria**  
**Partner**  
**Membership No. 228416**  
**Date: May 08, 2023**  
**Place: Hyderabad**  
**UDIN: 23228416BGXSZQ9487**

## Annexure

The information provided below sets out the possible direct and indirect tax benefits in the hands of Adroit Infotech Limited ("the Company"), its certain material subsidiary (Verso Altima India Private Limited) and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current tax laws presently in force in India. Several of these benefits are dependent upon their fulfilling the conditions prescribed under the relevant direct and indirect tax laws. Hence, the ability of the Company, its certain material subsidiary and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company or its certain material subsidiary may face in the future and accordingly, the Company, its certain material subsidiary and the shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional and it would be at the discretion of the Company or its certain material subsidiary or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

The tax benefits stated below are as per the respective Direct Tax Law<sup>1</sup> and Indirect Tax Law<sup>2</sup> as amended from time to time and applicable for financial year 2023-24 relevant to assessment year 2024-25 (AY 2024-25).

<sup>1</sup>The Income-Tax Act, 1961 (the "IT Act") as amended from time to time.

<sup>2</sup>The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended from time to time, Foreign Trade Policy 2015-20 as extended till 31.03.2023 vide Notification No 37/2015-20 dated 29.09.2022. The Foreign Trade Policy, 2023 has been notified Vide Notification No 01/2023 and which has come into force from 01 April 2023.

### **A. SPECIAL TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 IN THE HANDS OF THE COMPANY, IT'S CERTAIN MATERIAL SUBSIDIARY AND THE SHAREHOLDERS OF THE COMPANY**

#### **1. Special tax benefits available to the Company and its certain material subsidiary under the Income Tax Act, 1961**

##### **i. Lower corporate tax rate under section 115BAA**

115BAA of the Income Tax Act, 1961 grants an option to a domestic company to pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the Income Tax Act, 1961.

However, such a company will no longer be eligible to avail specified exemptions/incentives under the Income Tax Act, 1961 and will also need to comply with the other conditions specified in section 115BAA.

The Company and its subsidiary may, at their own discretion, opt to be governed by the concessional tax regime under section 115BAA in the future.

**ii. Carry forward and set off of losses under**

As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.

As per the provisions of Section 72A of the Act, pursuant to business re-organizations such as demerger, etc. the successor company shall be allowed to carry forward any accumulated tax losses, unabsorbed depreciation of the predecessor company, subject to fulfilment of prescribed conditions.

**iii. Deduction in respect of employment of new employees**

Section 8JJAA of the Income Tax Act, 1961 allows a company that undergoes a tax audit under section 44AB and earns business-related profits and gains to claim a deduction. The deduction is equal to thirty% of the additional employee cost incurred during the previous year in the course of that business. This deduction can be claimed for three assessment years, including the assessment year relevant to the previous year in which the employment is provided. However, eligibility to claim the deduction is subject to fulfilling the prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

**iv. Deduction in respect of certain inter-corporate dividends received**

According to Section 80M of the Income Tax Act, 1961, if a domestic company's gross total income in a previous year includes dividends from another domestic company, a foreign company, or a business trust, a deduction can be claimed. The deduction is equal to the amount of dividend received from such companies or trust, up to the amount of dividend distributed by the recipient company. The distribution of dividends should occur before the date one month prior to the due date for filing the income tax return under sub-section (1) of section 139, and it should comply with the provisions of this section.

**2. Special tax benefits available to the shareholders under the Income Tax Act, 1961**

**i. Dividend Received by:**

**a. Corporate Share holder:**

To remove the cascading effect of taxes on inter-corporate dividends a new section 80M is inserted in the Finance Act, 2020, which is applicable from financial year 2020-21 and thereafter the same is discussed at 1(iv) above.

**b. Other than Corporate Share holder:**

There are no special tax benefits available to the shareholders (other than resident corporate shareholder as discussed at 1(iv) above) of the Company under the provisions of the Act.

**ii. Capital Gain and other related benefits general:**

**a. Exemption from capital gain:**

- Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains up to Rs. 50 Lakhs are invested in "long term specified assets" (i.e., units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.
- Section 54F of the Act exempts long-term capital gains on transfer of shares, held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within specified timelines. The term "net consideration", in relation to the transfer of a capital asset, means the full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

**b. Lower Capital Gain Tax:**

➤ **Tax on Short Term Capital Gain (STCG):**

Capital gains arising from the transfer of a short-term capital asset, being an equity share in a company, which are chargeable to Securities Transaction Tax (STT) is taxable at the rate of 15% (plus surcharge and cess if applicable).

In the case of resident individuals/HUF, if the basic exemption limit is not fully exhausted by other income. Then short-term capital gain will be reduced by unexhausted basic exemption limit and the balance would be taxed at 15%.

Where the gross total income of an assessee includes any short-term capital gains as referred to in sub-section (1) of Section 111A, the deduction under Chapter VI-A and rebate under section 88 shall be allowed from the gross total income as reduced by such capital gains.

➤ **Tax on Long Term Capital Gain (LTCG):**

Long-term capital gains arising from transfer of listed securities, shall be taxable at lower of the following:

- 20% after taking benefit of indexation or
- 10% without taking benefit of indexation.

Further with respect to long-term capital gains arising from transfer of listed equity share as referred to in Section 112A shall be chargeable to tax at the rate of 10% in excess of Rs. 1 Lakh.

No withholding tax/tax deduction at source is applicable on income arising by way of capital gains to a resident shareholder on transfer of shares of an Indian company.

**c. Special provisions for Non-resident shareholder:**

In case of a non-resident shareholder, the first proviso to section 48 of the Act allows the capital gains arising from the transfer of listed equity shares of an Indian Company to be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains so computed should be reconverted into Indian currency. However, the benefit of indexation (as provided in second proviso to Section 48) is not available to non-resident shareholders.

Further, section 90(2) of the Act allows non-resident shareholders to opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement ('DTAA') or tax treaty entered into by the Government of India with the country of

residence of the non-resident shareholder, whichever is more beneficial subject to fulfilment of the conditions.

Further, any income by way of capital gains payable to non-residents [other than capital gains payable than foreign portfolio investors] may be subject to withholding tax in accordance with the provisions of the Act or under the relevant DTAA, whichever is beneficial to such non-resident unless such non-resident has obtained a lower withholding tax certificate from the tax authorities.

- d. **Foreign Portfolio Investors (FPI)** (earlier known as 'Foreign Institutional Investor')  
As per section 2(14) of the Act, securities held by a FPI registered in accordance with the SEBI Regulations for FPIs would be in the nature of "capital asset". Consequently, the income arising to a FPI from transactions in securities are treated as capital gains. Further, as per provisions of Section 115AD of the Act, capital gains arising from transfer of securities would be taxable as follows:

Nature	Tax rate (%)
LTCG on sale of equity shares referred to in Section 112A	10
LTCG on sale of equity shares (other than LTCG referred above)	10
STCG on sale of equity shares referred to in Section 111A	15
STCG on sale of equity shares (other than STCG, referred above)	50

- e. **Carry forward and set off of capital gain losses:** As per section 74 of the Act, short-term capital losses incurred during the year are allowed to be set-off against short-term or long-term capital gains of the said year. Balance short-term capital losses, if any, may be carried forward for eight years for claiming set-off against subsequent years' short-term or long-term capital gains. Long-term capital losses incurred during the year are allowed to be set-off only against long-term capital gains. Balance loss, if any, may be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

## **B. SPECIAL TAX BENEFITS UNDER THE INDIRECT TAX REGULATIONS IN THE HANDS OF EIH LIMITED AND ITS SHAREHOLDERS**

### **1. Special tax benefits available to the Company and its subsidiaries under Indirect tax regulations**

#### **i. Export Promotion Capital Goods (EPCG) Scheme**

Under the EPCG scheme of the Central Government, a service provider or a manufacturer may import capital goods without payment of Customs duty, subject to the condition that such person fulfils an export obligation equivalent to 6 times of the duties, taxes and cess saved on capital goods, which is to be fulfilled in 6 years from the date of issue of authorisation. Capital goods include any plant, machinery, equipment, or accessories required directly or indirectly for rendering of services.

The Company and its subsidiaries, as a service provider of hotel accommodation may avail and enjoy the benefits under this scheme by importing capital goods without payment of duty subject to fulfilment of export obligations.

2. **Special Tax benefits to the Shareholders under the Indirect Tax Regulations**

No special tax benefits are available to the Shareholders of the Company under the Indirect Tax regulations.

**Note:**

- a. The above statement covers certain tax benefits under the respective taxation laws, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India;
- b. This statement does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company, by the person residing in the country outside India;
- c. The passible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications;
- d. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the proposed issue;
- e. The above Statement or Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares;
- f. The stated benefits may be available only to the sole/ first named holder in case the shares are held by joint holders;
- g. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile;
- h. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time, up to the date this statement. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this statement; and
- i. This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

For and on behalf of

**Adroit Infotech Limited**

Sd/-

**Ravichandra Rao Badanidiyoor**

**Chief Financial Officer**

Date: May 08, 2023

Place: Hyderabad



## SECTION V: ABOUT OUR COMPANY

### OUR INDUSTRY

*The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

*Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this entire Draft Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" on pages 26 and 113, respectively of this Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 26 of this Draft Letter of Offer.*

The IT & BPM sector has become one of the most significant growth catalysts for the Indian economy, contributing significantly to the country's GDP and public welfare. The IT industry accounted for 7.4% of India's GDP in FY22, and it is expected to contribute 10% to India's GDP by 2025.

As innovative digital applications permeate sector after sector, India is now prepared for the next phase of growth in its IT revolution. India is viewed by the rest of the world as having one of the largest Internet user bases and the cheapest Internet rates, with 76 crore citizens now having access to the internet.

The current emphasis is on the production of significant economic value and citizen empowerment, thanks to a solid foundation of digital infrastructure and enhanced digital access provided by the Digital India Programme. India is one of the countries with the quickest pace of digital adoption. This was accomplished through a mix of government action, commercial innovation and investment, and new digital applications that are already improving and permeating a variety of activities and different forms of work, thus having a positive impact on the daily lives of citizens.

India's rankings improved six places to the 40<sup>th</sup> position in the 2022 edition of the Global Innovation Index (GII).

### GLOBAL PROSPECTS AND POLICIES

#### 1. Large contribution to the Indian economy

- The IT industry accounted for 7.4% of India's GDP, as of FY22.
- India's IT industry is expected to contribute 10% to India's GDP by 2025.
- As of FY22, the IT industry employs 5 million people.



## 2. Strong growth opportunities

- According to National Association of Software and Service Companies (Nasscom), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth.
- As per a survey by Amazon Web Services (2021), India is expected to have nine times more digitally skilled workers by 2025. This indicates that a total of ~ 3.9 billion digital skill trainings are expected by 2025. As of 2021, digitally trained employees constitute 12% of the country's workforce.

## 3. Export and employment growth

- Exports from the Indian services industry stood at US\$ 254.4 billion in FY22.
- The BPM sector in India currently employs >1.4 million people, while IT and BPM together have >4.5 million workers, as of FY21.

## 4. Most lucrative sector for investments

- The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 88.94 billion between April 2000-June 2022. The sector ranked 2nd in FDI inflows as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).
- Computer software and hardware make up 14.70% of the cumulative FDI equity inflows.

## 5. Accelerating demand for cloud and digital transformation

- This push towards cloud services has boosted hyper-scale data centre investments, with global investments estimated to exceed US\$ 200 billion annually by 2025. India is expected to gain a significant share in the global market, with the country's investment expected to hit US\$ 5 billion annually by 2025.

## ADVANTAGES

### 1. Competitive Advantage

- In FY21, India ranked third worldwide with 608,000 cloud experts across all verticals, including technology.
- Japanese investments in the Indian IT sector grew 4X between 2016-20. Investments stood at US\$ 9.2 billion over the last two decades.
- A preferred destination for IT & BPM in the world, India continues to be a leader in the global sourcing industry with 52% market share (as of FY20) in services exports from the country.

### 2. Growing Demand

- Strong growth in demand for export from new verticals.
- In FY22, the top three Indian IT companies, TCS, Wipro and Infosys, are expected to offer ~1.05 lakh job opportunities due to the increasing demand for talent and skill.
- India's IT and business services market is projected to reach US\$ 19.93 billion by 2025.
- According to Gartner estimates, IT spending in India is expected to increase to US\$ 101.8 billion in 2022 from an estimated US\$ 81.89 billion in 2021.

### 3. Global Footprints

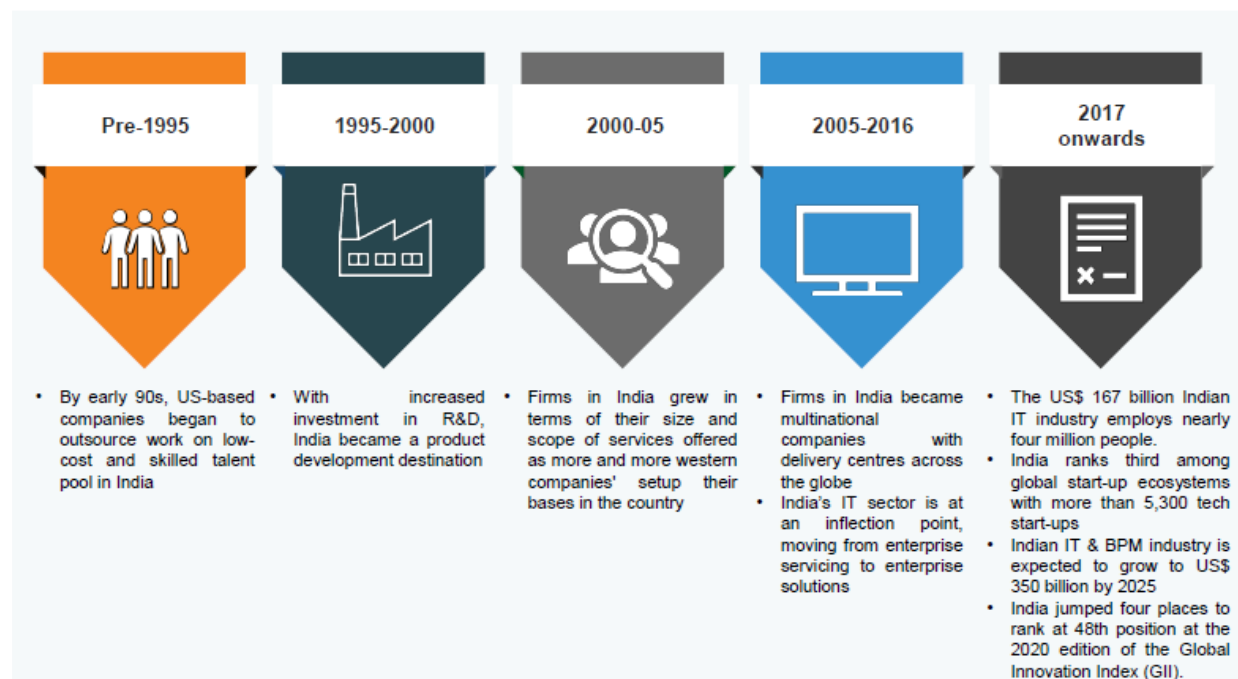
- Indian IT firms have delivery centres across the world.
- IT & BPM industry is well diversified across verticals such as BFSI, telecom and retail.
- Increasing strategic alliance between domestic and international players to deliver solutions across the globe.

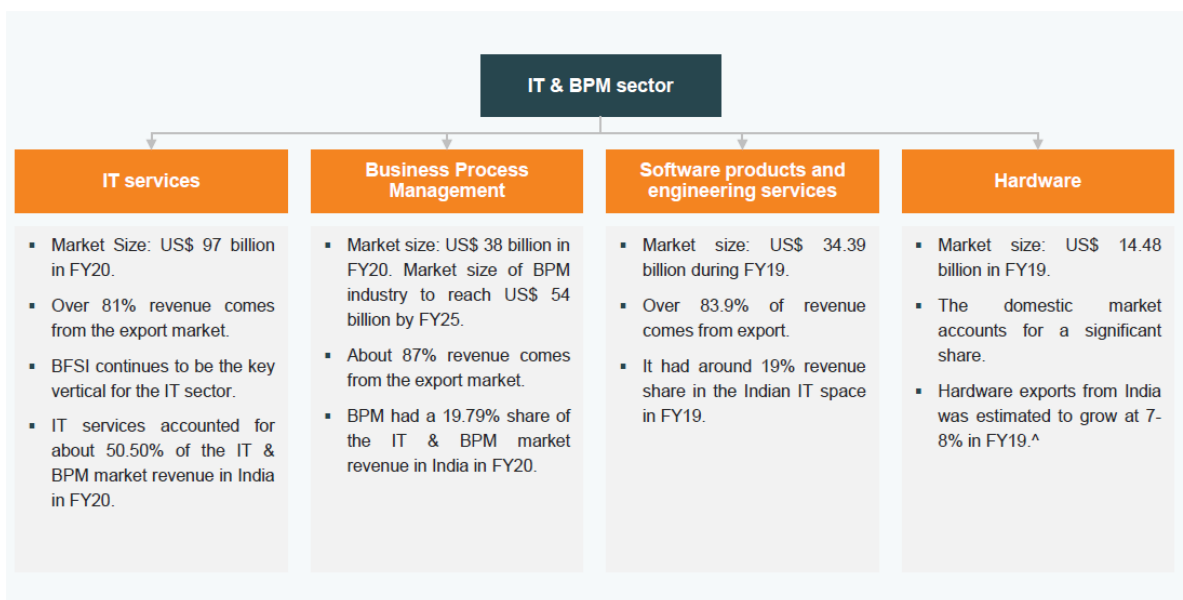


#### 4. Policy Support

- In September 2022, the new Telecommunications Bill 2022 was published for public consultation by the Ministry of Communications as a move toward creating a new telecom framework in India.
- In the Union Budget 2022-23, the allocation for IT and telecom sector stood at Rs. 88,567.57 crore (US\$ 11.58 billion).
- The Ministry of Electronics and Information and Technology (MeitY) has approved 14 eligible applicants under the production linked incentive scheme (PLI) for IT hardware.

#### EVOLUTION OF IT SECTOR:

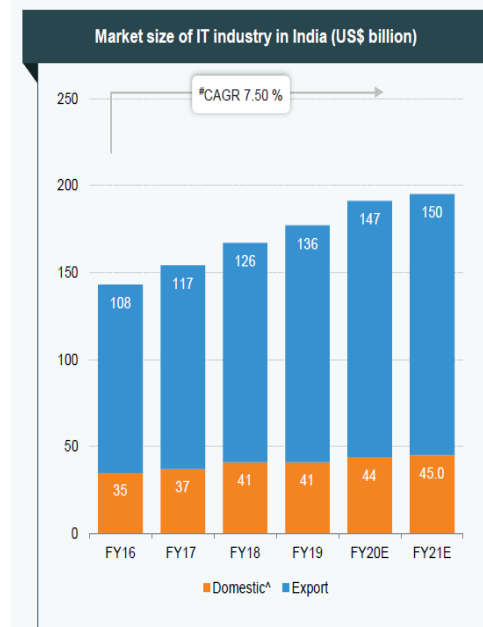




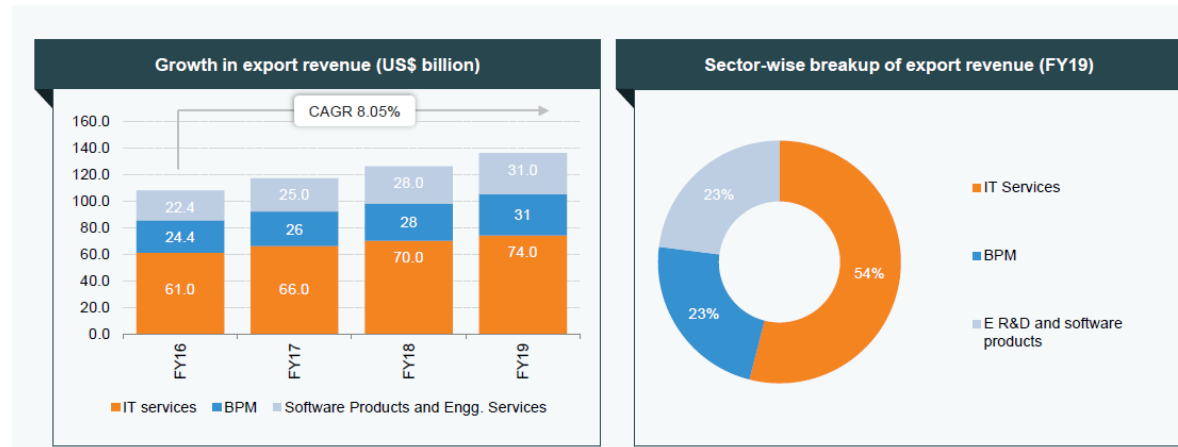
## MARKET SIZE:

The IT industry added 4.45 lakh new employees in FY22, bringing the total employment in the sector to 50 lakh employees.

- The IT-BPM services revenue reached US\$ 194 billion in FY21.
- By 2025-2026, India is expected to have 60-65 million jobs that require digital skills, according to a Ministry of Electronics & IT report titled "India's trillion-dollar digital opportunity."
- In November 2021, Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, lauded the Indian IT sector for excelling its competitive strength with zero government interference. He further added that service exports from India had the potential to reach US\$ 1 trillion by 2030.
- Spending on information technology in India is expected to reach US\$ 144 billion in 2023.
- The cloud market in India is expected to grow three-fold to US\$ 7.1 billion by 2022 with the help of growing adoption of big data, analytics, artificial intelligence and Internet of Things (IoT), according to Cloud Next Wave of Growth in India report.
- India's digital economy is estimated to reach US\$ 1 trillion by 2025.
- Artificial Intelligence (AI) is expected to boost India's annual growth rate by 1.3% by 2035, according to NITI Aayog.
- The Karnataka government has signed three MoUs worth US\$ 13.4 million to help the state's emerging technology sector.



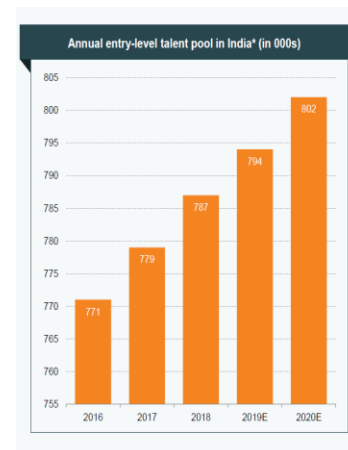
## Strong growth in IT & BPM exports



- Exports from the Indian IT industry are expected to be around US\$ 178 billion in FY22.
- Export of IT services has been the major contributor, accounting for more than 51% of total IT export (including hardware).
- BPM and engineering and R&D (ER&D) and software products export accounted for 20.78% each to total IT exports during FY21. ER&D market is expected to grow to US\$ 42 billion by 2022.
- According to STPI (Software Technology Park of India), software exports by the IT companies connected to it stood at Rs. 1.20 lakh crore (US\$ 16.29 billion) in the first quarter of FY22.
- In August 2021, the Minister of Electronics and Information Technology, Skill Development and Entrepreneurship, Mr. Rajeew Chandrasekhar, announced that the IT export target is set at US\$ 400 billion for March 2022. In addition, the central government plans to focus on areas such as cybersecurity, hyper-scale computing, artificial intelligence and blockchain.

## Indian talent pool ready to take IT sector to the next level

- The BPM sector in India currently employs >1.4 million people, while IT and BPM together have >5 million workers, as of FY22.
- The industry continues to be a net hirer of skilled talent, adding 138,000 people in FY21, and comprises robust hiring plans for FY22, with the top 5 Indian IT companies planning to add 96,000 employees.
- India BPO promotion scheme was approved under the Digital India programme. It aims to create employment opportunities for the youth and promote investments in the IT & BPM industry. Under the scheme, employment has already been created for more than 10,000 individuals.



- For FY22, the following announcements were made by IT companies:
- In August 2021, Startek, a business process management company, announced a plan to increase its minority stake in CSS Corp to reach a wider market. It also announced a plan to recruit 2,000 employees in India in FY22.
- Infosys plans to employ 35,000 freshers in FY22, up from 21,000 in FY21.
- Wipro plans to hire 12,000 people on campus, up 33% from the previous year.
- HCL Tech expects to hire 20,000-22,000 people, up 50% from 14,600 in FY21.
- TCS plans to recruit 40,000 graduates, equal to the number hired in FY21.

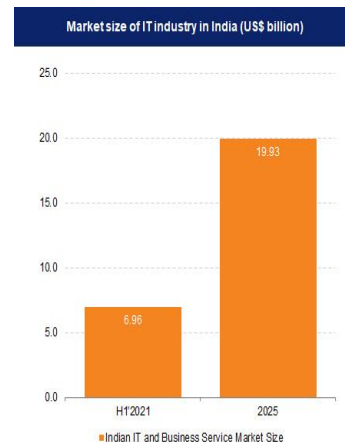
#### Market Size:

According to National Association of Software and Service Companies (Nasscom), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth.

According to Gartner estimates, IT spending in India is expected to increase to US\$ 101.8 billion in 2022 from an estimated US\$ 81.89 billion in 2021.

Indian software product industry is expected to reach US\$ 100 billion by 2025. Indian companies are focusing on investing internationally to expand their global footprint and enhance their global delivery centres.

The data annotation market in India stood at US\$ 250 million in FY20, of which the US market contributed 60% to the overall value. The market is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI.



Exports from the Indian IT industry stood at US\$ 149 billion in FY21. Export of IT services has been the major contributor, accounting for more than 51% of total IT export (including hardware). BPM and engineering and R&D (ER&D) and software products export accounted for 20.78% each to total IT exports during FY21. The ER&D market is expected to grow to US\$ 42 billion by 2022.

The IT industry added 4.45 lakh new employees in FY22, bringing the total employment in the sector to 50 lakh employees.



## INVESTMENTS/ DEVELOPMENTS:

Indian IT's core competencies and strengths have attracted significant investment from major countries and companies.

- In November 2022, ICICI Bank introduced two new products for its NRI clients - Loan against Deposits (LAD) and Dollar Bonds, at its branch in GIFT City.
- In November 2022, Amazon Web Services announced the launch of its second AWS infrastructure region in India - the AWS Asia Pacific (Hyderabad) Region. By 2030, it is anticipated that the region will support more than 48,000 full-time jobs annually thanks to investments totalling more than US\$ 4.4 billion in India.
- In November 2022, Google established a partnership with local gaming startup SuperGaming through its Google Cloud division. As part of the collaboration, game developers who use Google Cloud to create, host, and distribute their games will have access to SuperGaming's SuperPlatform game engine.
- HDFC Bank has partnered with Flywire to enable their customers to make fee payments digitally to overseas colleges and universities.
- In August 2022, Network People Services Technologies (NPST) announced that it was working on a banking super app. The high-end platform can be used by banks, fintech companies, and other BFSI players, and it will offer a seamless user experience with all banking, financial, and transactional services combined into a robust, smart app.
- In August 2022, PwC India announced that it was planning to hire 10,000 employees in the cloud and digital technologies space over the next five years.
- In October 2022, PE/VC investments in the technology sector stood at US\$ 157 million across 12 deals.
- The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 88.94 billion between April 2000-June 2022. The sector ranked second in FDI inflows as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT). Computer software and hardware make up 14.70% of the cumulative FDI inflows.
- In July 2022, the Union Bank of India (UBI) launched a Metaverse Virtual Lounge and Open Banking Sandbox environment in partnership with Tech Mahindra.
- In June 2022, ZStack International, a worldwide market leader in cloud computing, IaaS and PaaS solutions, announced that they were entering into India and the SAARC Region.
- In June 2022, Redington India, an IT provider, entered into a multi-year strategic agreement with Amazon Web Services (AWS) to drive cloud technology adoption in India.
- American-Irish consumer credit reporting company Experian is planning a major expansion of its global innovation centre (GIC) in Hyderabad to about 4,000 employees over the next three to five years. According to sources, GIC will concentrate on employing emerging technologies in

the BFSI (banking, financial services, and insurance) sector, including cloud computing, big data analytics, artificial intelligence, and machine learning.

- In 2021, PE investments in the IT sector stood at US\$ 23.4 billion.
- India's IT startup ecosystem has received record investments of nearly US\$ 36 billion in privately held companies in 2021, up from US\$ 11 billion in 2020.
- In March 2022, Licious, India's largest tech-first, fresh animal protein brand, raised US\$ 150 million in a Series F2 funding round.
- In March 2022, Byju's raised US\$ 800 million in funding as part of a pre-IPO round, which values the Bengaluru-based company at about US\$ 22 billion.
- In March 2022, debt marketplace CredAvenue raised US\$ 137 million in a funding round led by Insight Partners, B Capital Group and Dragoneer Investment Group, which propelled the startup's valuation to US\$ 1.3 billion.
- In February 2022, Hasura, a software company which helps developers with tools, raised US\$ 100 million in a fresh funding round led by Greenoaks Capital, which elevate the company into a unicorn.
- In January 2022, Google announced plans to invest US\$ 1 billion in India's Bharti Airtel Ltd. to push India's digital ecosystem.
- Amazon has partnered with Airtel to sell Amazon Web Services (AWS) to its customers and intends to inject US\$ 1.6 billion in their two upcoming data centres in Hyderabad.
- In November 2021, Wipro partnered with TEOCO to build solutions for communication service providers (CSPs) to improve network automation, efficiency, flexibility and reliability.
- In August 2021, Tata Consultancy Services was adjudged a leader in the NelsonHall NEAT for CX Services in Banking, Financial Services and Insurance (BFSI).

## GOVERNMENT INITIATIVES

Some of the major initiatives taken by the government to promote the IT and ITeS sector in India are as follows:

- In September 2022, the new Telecommunications Bill 2022 was published for public consultation by the Ministry of Communications as a move toward creating a new telecom framework in India.
- In August 2022, the Indian Computer Emergency Response Team (CERT-In), in collaboration with the Cyber Security Agency of Singapore (CSA), successfully planned and carried out the "Synergy" Cyber Security Exercise for 13 countries to build network resilience against ransomware attacks.

- In June 2022, STPI Director General Mr. Arvind Kumar stated that exports through STPI units have increased from Rs. 17 crore (US\$ 2.14 million) in FY92 to Rs. 5.69 lakh crore (US\$ 71.65 billion) in FY22.
- In May 2022, it was announced that Indians can now avail their Digilocker services through WhatsApp to get easy access to their official documents.
- In April 2022, the Indian Computer Emergency Response Team (CERT-In) issued Directions to strengthen the cybersecurity in the country.
- In the Union Budget 2022-23, the allocation for IT and telecom sector stood at Rs. 88,567.57 crore (US\$ 11.58 billion).
- The government introduced the STP Scheme, which is a 100% export-oriented scheme for the development and export of computer software, including export of professional services using communication links or physical media.
- In November 2021, the government launched the Internet Exchange in Uttarakhand to enhance the quality of internet services in the state.
- The Karnataka government has signed three MoUs worth US\$ 13.4 million (Rs. 100.52 crore) to help the state's emerging technology sector.
- In September 2021, the Indian government announced a plan to build a cyber-lab for the 'Online Capacity Building Programme on Crime Investigation, Cyber Law and Digital Forensics' to strengthen cyber security capabilities.
- In September 2021, the Ministry of Electronics and Information Technology (MeitY) organised a workshop under the theme of 'Connecting all Indians' to promote public and private stakeholders' interest in the country and expand internet access to remote areas.
- In September 2021, the Indian government launched the Meghalaya Enterprise Architecture Project (MeghEA) to boost service delivery and governance in the state by leveraging digital technologies, to make Meghalaya a high-income state by 2030.
- In September 2021, the Indian government launched Phase II of Visvesvaraya PhD Scheme to encourage research in 42 emerging technologies in information technology (IT), electronics system design & manufacturing (ESDM) and information technology enabled services (ITES).
- In September 2021, the Indian government inaugurated five National Institute of Electronics & Information Technology (NIELIT) Centres in three North-Eastern states to boost availability of training centres and employment opportunities.
- On July 2, 2021, the Ministry of Heavy Industries and Public Enterprises launched six technology innovation platforms to develop technologies for globally competitive manufacturing in India. The six technology platforms have been developed by IIT Madras, Central Manufacturing Technology Institute (CMTI), International Centre for Automotive Technology (iCAT), Automotive Research Association of India (ARAI), BHEL, and HMT, in association with IISc Bangalore.

- The Department of Telecom, Government of India and Ministry of Communications, Government of Japan, signed an MoU to enhance cooperation in areas of 5G technologies, telecom security and submarine optical fibre cable system.

## ROAD AHEAD

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India.

The Indian IT & business services industry is expected to grow to US\$ 19.93 billion by 2025. Spending on information technology in India is expected to reach US\$ 144 billion in 2023. By 2026, widespread cloud utilisation can provide employment opportunities to 14 million people and add US\$ 380 billion to India's GDP.

As per a survey by Amazon Web Services (2021), India is expected to have nine times more digitally skilled workers by 2025.

In November 2021, Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, lauded the Indian IT sector for excelling its competitive strength with zero government interference. He further added that service exports from India have the potential to reach US\$ 1 trillion by 2030.

(Source: <https://www.ibef.org/industry/information-technology-india>)

## Indian Economy Overview

### Introduction

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022-23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022-2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.



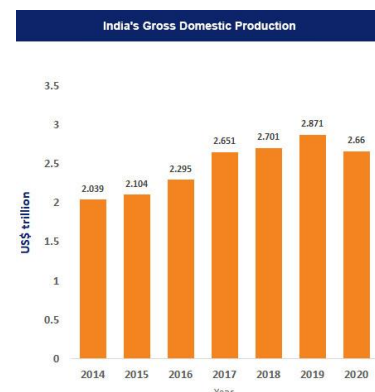
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

### Market Size

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.



Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

### **Recent Developments**

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US\$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.



## Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.

- In June 2022:
  - Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
  - The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms

include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.

- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide -Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.

- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

## ROAD AHEAD

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022-23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: [www.ibef.org](http://www.ibef.org))

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 26, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 113 and 119, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.*

### Overview

Our Company was originally incorporated on 19<sup>th</sup> March, 1990 under the Companies act 1956 in the name and style of "Rusoday Mutual Funds Limited". Further, name of the Company was changed from "Rusoday Mutual Funds Limited" to "Rusoday Finance Limited" vide fresh Certificate of Incorporation dated 04<sup>th</sup> June, 1996 issued by the Registrar of Companies, Andhra Pradesh, Hyderabad. Later on, the name of the Company was changed to "Global Fiscals Limited" vide fresh Certificate of Incorporation dated 06<sup>th</sup> June, 1996 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to "Arham Fiscals Limited" vide fresh Certificate of Incorporation dated 28<sup>th</sup> April, 1997 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to "Color Chips (India) Limited" vide fresh Certificate of Incorporation dated 05<sup>th</sup> January, 2000 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to "Sphere Global Services Limited" vide fresh Certificate of Incorporation dated 01<sup>st</sup> October, 2014 issued by Registrar of Companies, Hyderabad, Telangana. The name of the Company was further changed to "Adroit Infotech Limited" vide fresh Certificate of Incorporation dated 01<sup>st</sup> October, 2014 issued by Registrar of Companies, Hyderabad, Telangana. The Corporate Identification Number (CIN) of the Company is L72300TG1990PLC011129.

We are a Specialist SAP Consulting Company, with close to two decades of experience in helping organizations significantly reduce costs and improve effectiveness and efficiency through internal process improvements using SAP products and solutions.

We have consciously focused on the Large Enterprise & Mid-Market - as our area of expertise for development. As a result, we are capable of partnering with customers right from first consultation, process analysis, and implementation - to rollouts, ongoing support, maintenance, and upgrades. Our consultants have experiences from domestic as well as international projects.

Ensuring the value of your SAP investment takes more than software. It takes Adroit Consulting -- and the expertise and skill we've gained over the years. With a formidable team, deep domain and technical expertise, and innovative engagement models, Adroit Infotech can provide the depth and breadth of coverage that your business demands. As a result, Adroit is a valued member of the SAP ecosystem.

As a certified SAP Services Partner, Adroit helps customers design, implement and integrate SAP solutions, optimize business processes, and provide strategic business consultation. Adroit collaborates with SAP and assumes responsibility for supporting SAP solutions.

Because of this relationship, Adroit has access to a much broader range of software tools and solutions for its clients. Leveraging this vast resource, we co-innovate on SAP's Business Process Platform to develop new skills and capabilities, access information and knowledge, and thereby deliver the extra value to organizations.

Our status with SAP means that our customers can enjoy the expertise of Adroit and the support of SAP. This combination provides an outstanding opportunity to work with us on collaborative projects within the SAP Ecosystem.

### Industry Verticals

Each industry has its own unique requirements and challenges. Our solution sets are based on an in-depth knowledge of the processes that drive your business, whether you are a small business, a midsize company, or a large enterprise.

Adroit has teams of industry experts who are devoted 100% to solving problems and making advancements within their respective industries. We've developed tools, methodologies, and best-practices based on years of experience with top companies in the following major industry segments:

- ✓ Chemicals
- ✓ Life Sciences
- ✓ Engineering, Construction and Operation
- ✓ Health Care
- ✓ Automotive
- ✓ Industrial Machinery and Components
- ✓ Retail
- ✓ Food Processing
- ✓ Agribusiness
- ✓ Insurance
- ✓ Textiles
- ✓ Mill Products



We have one subsidiary Company as on the date named:

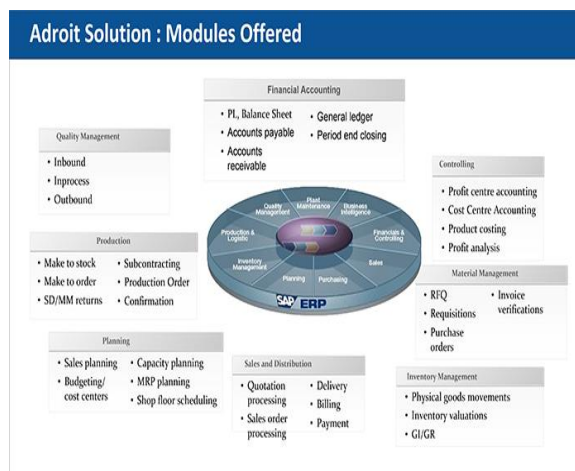
M/s Verso Altima India Private Limited is a subsidiary company of M/s Adroit Infotech Limited and company is incorporated in Mumbai, Maharashtra as on 20<sup>th</sup> May, 2020. The registered office is situated at 42/803 NRI Complex, Seawood Estate, Palm Beach Road, Sector 54,56,58, Navi Mumbai Nerul Thane MH 400706. Verso Altima India Private Limited is engaged in manufacturing, developing, dealing in Computer Hardware, Networking, Web sites, Software's, Telecom, VAS software and other technologies including Web super markets and kiosks for the use of E-Commerce and other software application Developments and Technologies that may arise in future in the field of Computer Technologies.

### IMPLEMENTATION HIGHLIGHTS:

- ✓ Dedicated and experienced consultants
- ✓ Go-live within Scheduled time-frame



- ✓ Complete integration of business processes across HO and Mfg. locations.
- ✓ Sales operations of industry are taken care by business management software. Tracks and records various process from ordering of product till its delivery shaping auditing of sales activities easily.
- ✓ Supply chain management notifies information about materials exchange from industry to traders and to customers.
- ✓ Purchase of raw materials is recorded with Bill of Materials (BOM) so that production process continues without any break.
- ✓ Inventory management of industry around clock takes place thereby purchase of resources exits according to demands at right timing.
- ✓ Accounts payable to receivable maintenance updates, financial statements leading to hold down cash flow in your industry (From Chainage 502.00 to 532.094)



## OUR PRODUCTS

- ARIBA
- CRM
- SRM
- SAP C4C - CLOUD FOR CUSTOMER
- SUCCESS FACTORS
- SAP CLOUD PLATFORM

## OUR KEY UNIQUE BUSINESS STRENGTHS ARE:

- 1) **Management expertise base** - We believe that we have a strong management team led by Chairman and Executive Directors with significant experience in the global e commerce and software industry and have extensive experience in the setting up and managing companies in the global retail and wholesale sectors. Our management team comprises skilled and capable professionals and each business vertical is headed by persons with significant expertise in their respective fields. Our senior management team also assists the Board in identifying new opportunities and in implementing our business strategies.
- 2) **Strengthen human capital**- Our employees and management team are our most valuable asset. Investing in human capital by training, and retaining our key people has been and will remain critical to our success. To achieve this, we intend to remain committed to provide our personnel with opportunities to expand our business within their areas of expertise. We will also continue to provide our personnel with personal and professional growth opportunities, including training and performance-based incentives.
- 3) **Improving functional efficiency** - Our Company intends to improve operating efficiency to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer services.

- 4) **Strong execution and implementation capabilities** - We have demonstrated strong project execution capabilities consistently over a period. Historically, our focus has been on large-scale, complex and high value projects. Owing to our vast experience and having completed high value, technologically advanced and technically complex projects, we believe that we are in a position to meet the pre-qualification requirements necessary to enter the competitive bidding process for potential heavy infrastructure sectors.
- 5) **Our established brand and reputation-** We also believe that our established brand and reputation has enabled and will enable us to obtain future business opportunities. We have gained significant experience and have established track record and reputation for efficient project management, execution and timely completion of projects in the real estate sector. We believe that our expertise in successful and timely implementation of projects provides us with significant competitive advantages. The Promoter Group has a strong presence in the real estate market which provides us with significant competitive advantages.

#### **OUR BUSINESS STRATEGIES:**

- 1) **To provide a diverse range of software products across varied customer segments:** We provide an extensive range of Software IT Solution and Consulting Services, IT Product / Software Development and Software Training, Enterprise Resource Planning Solution and Learning Management Solution. Our Company was founded on the ideology of serving the needs of the companies with our expertise in software technologies, we have developed a diverse range of software products. Since our inception, we have expanded our range of offerings and achieved economies of scale in product development and maintenance and in our product portfolio which has enabled us to service new markets and explore new product offerings to our customers. We have also developed customized products to suit specific requirements of our customers. We believe that our broad range of products and our ability to customize products allows our end customers to source most of their product categories from a single brand and enables us to expand our business from existing customers, as well as address a larger base of potential customers.
- 2) **Expand our operations in other geographies:** We intend to leverage our existing business model and reach new geographies and in other Countries as and we progress. We intend to expand the volume of our business from clients with a global presence by enhancing our solutions offering. We believe that our deep technical and domain expertise, positions us strongly to take advantage of opportunities in these markets.
- 3) **Strategic Acquisition and Alliance Opportunities:** We intend to explore and evaluate strategic acquisition and technology alliance opportunities to gain access to new clients and sectors, add new technology capabilities to our offerings that drive synergies with our existing business ventures.

#### **MARKETING STRATEGY**

During the expansion stage, our company will begin entering a new market using products have already developed. Increasing our company's reach has long-term implications for finding new customers and creating greater visibility – and even stability – for products.

There are a variety of different channels could use, such as selling products through digital advertising and selling online. Expanding into a new market using the right channels is critical for engaging new customers effectively and being successful with the new initiative. New channels

provide with a connection to a more significant number of potential sales and business partners, allowing us to boost bottom line even further, this approach will enable our company to make strong connections that will fuel further business growth and keep competitive

Our efforts should focus on positioning ourselves as being authentic and on producing high-quality products. Recognize that traditional metrics, like website traffic, may not be an authentic representation of success. Our brand audience consists of potential buyers throughout various markets, including potential buyers, those who already buy from our company, and people who may be interested in new products

## **COMPETITION**

The market is highly competitive and fragmented. We compete with a variety of information technology companies, as well as service providers. Some of our competitors have great financial, workforce, marketing, sales and other resources. However, none of these companies is involved exclusively in a business similar to business of the Company and comparable to the scale of operations. We believe that the principal competitive factors include product quality, reliability, and price that are able to comprehensively address varying requirements of different customer segments and specific customer needs. We believe that our ability to compete effectively is primarily dependent on ensuring consistent product quality and timely delivery at competitive prices, thereby strengthening our brand over the years. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in our business. In today's dynamic business environment which is filled with rapid change of technology, government policies, mounting competitive threats and constant new entrants into the market, makes it challenging to sustain and handle the intricacies and provide competitive solutions to the clients. We face competition from domestic and international Companies. We foresee this competition to continue to grow as the demand for software development solutions increases. Apart from that, clients may reduce their dependence on vendors in India and outsource work to other offshore destinations such as Ukraine, Philippines and other Eastern European countries. Further we believe that our competition also depends on several factors which include currency fluctuations, changing business framework, information technology policies, difficulty to retain skilled staff etc.

## **UTILITIES & INFRASTRUCTURE FACILITIES**

### **Infrastructure Facilities**

Our registered office is located at Hyderabad, Telangana and is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

### **Power**

Our Company has made adequate arrangements for its power requirements. The requirement of power for our operations is met through the state electricity board.

### **Water**

Water is required only for drinking and sanitary purposes and adequate water sources are available. The requirements are fully met at the existing premises.

## **Employees**

Our Company believes that human capital is one of our greatest strengths and that our employees are partners in our Company's growth and are a critical factor of our success.

Accordingly, our Company's human resource (HR) policies have been designed and developed to address crucial aspects of our employees' welfare. Our HR strategy is employee-centric and focuses heavily on training and retaining our employees, as well as offering them competitive compensation. Our Company believes that that recognition and reward should be spontaneous and public.

## OUR MANAGEMENT

### Board of Directors

Currently, our Company has 6 (Six) Directors on our Board including One Women Director, comprising of 1 (One) Executive Director, 2 (Two) Non-Executive Directors, and 3 (Three) Independent Directors. The composition of the Board of Directors is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

The Articles of Association provide that our Company shall not have less than three Directors and not more than 15 Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each Annual General Meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

The following table sets forth details regarding our Board of Directors as of the date of this Draft Letter of Offer.

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Date of Birth	Status of Directorship in our Company	Other Directorships
<b>1. Sudhakiran Sunkerneni Reddy</b> S/o Balakrishna Reddy Sunkerneni Plot No. 47, Road No. 7, Prashasan Nagar, Jubilee Hills, Hyderabad - 500033, Telangana. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years <b>DIN:</b> 01436242 <b>PAN:</b> AEAPS7746F	10-05-1967	Managing Director	1. Softpoint Technologies Private Limited
<b>2. Sridhar Pyata Reddy</b> S/o Mohan Reddy Pyata 16-2-742/F/1/3 1632, Venkatadri Nagar Colony, Asmangadh, Hyderabad - 500036. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 07268714 <b>PAN:</b> AILPP1229R	26-12-1970	Non-Executive and Non-Independent Director	1. ESGK IT Solutions Private Limited 2. I800 Engineers (India) Private Limited

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Date of Birth	Status of Directorship in our Company	Other Directorships
<b>3. Sunkireddy Rajashekar Reddy</b> S/o Gopal Reddy Sunkireddy 2-44, Mudireddipally, Kosgi Mandal, Gundmal, Mahabubnagar - 509339 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 06983058 <b>PAN:</b> FSFPS6083H	01-05-1974	Non-Executive and Non-Independent Director	NIL
<b>4. Sunder Raj Nyayapathi</b> S/o Rama Rao Nyayapathi 16-2-751/A/31/B/59, Road No. 3, Tirumala Hills, Asman Gadh, Malakpet Colony, Hyderabad 500036, Telangana <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years <b>DIN:</b> 01679215 <b>PAN:</b> ABSPN6031D	16-05-1963	Non-Executive and Independent Director	1. Indisolar Technologies LLP 2. Indisure Technologies LLP 3. Indisolar Products Private Limited
<b>5. Sunitha Kuchakulla</b> D/o Suryanarayana Reddy Marala Flat No. 207, Ashoka Chandra, Enclave, Red Hills, Khairtabad, Hyderabad 500004, Telangana <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years <b>DIN:</b> 07502066 <b>PAN:</b> EHZPK7845F	01-05-1981	Non-Executive and Independent Director	NIL
<b>6. Patlola Venkat Lakshma Reddy</b> S/o Narasimha Reddy Patlola Flat No. 402 Eternal Smrithi Apartment, Aziz Bagh, Bagh Amberpet, Hyderabad 500013, Telangana <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years <b>DIN:</b> 01108707 <b>PAN:</b> AIBPP4355L	20-05-1969	Non-Executive and Independent Director	NIL



### **Relationship between Directors**

None of the Directors are related to each other as per the provisions of the Companies Act, 2013.

### **Brief Profile of Directors**

**Sudhakiran Sunkerneni Reddy, aged 55 years**, a distinguished Chartered Accountant representing a coalition of specialized skills in corporate finance advisory, tax consultancy with demonstrated skills in implementation of ERP Software (SAP) in countries across two continents.

A strong believer in adding value and optimizing the benefits accruing to stakeholders. Expert in managing risk and creating value for money by leveraging talent and technology. Possessing a broad vision and experience of over 20 years, he has been actively involved with many products and services companies, to help them develop and grow.

**Sridhar Pyata Reddy, aged 52 years**, has rich and varied experience of 23 years as SAP HANA, Success Factors & Logistics Solution Architect of which 19 years' in Program Management, Quality Assurance, Process Audit.

He carries rich, diverse experience in deploying excellent ERP/technological solutions for clients across the world, including Tata, Motors, Tata Chemicals, GM, Nestle, Microsoft, TRW, Telcon, Tata Ryerson, TSPL, NSL, Hetero Drugs, SAMREF, Mayur Uniqoters, Godrej CPD, Godrej Agrovat. HCL, PHT, ITL (Sonalika), ICF, HSL - all these while his stint at Tata Technologies, TCS, Satyam (TechM), Aditya Birla (PSI), IBM, eSGK IT Solutions.

**Sunkireddy Rajashekar Reddy, aged 48 years**, holds Graduate qualification. He possesses rich experience in Management and Administration Matters. Very Pro-active and focused in her approach towards business

**Sunder Raj Nyayapathi, aged 59 years**, an innovator by nature, he is an entrepreneur driven by technology. Has built sustainable corporations in computer software and product development with the ability to discover and absorb new technologies, develop software & innovate are his forte.

With about 27 years of global experience in the industry, builds competent teams which identify, focus and execute priorities that are pivotal for an enterprise.

**Sunitha Kuchakulla, aged 41 years**, holds Graduate qualification. She possesses rich experience in Management and Administration Matters. Very Pro-active and focused in her approach towards business.

**Patlola Venkata Lakshma Reddy, aged 53 years**, is a Cost Accountant. His educational qualification includes B. Com and ICWA. He possesses 25 years of work experience in capital markets and is currently an entrepreneur. He is a visionary with strong focus on innovation.

### **Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors have been appointed in the Board.

#### Other Confirmations:

1. None of Directors are currently, or have been in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the Stock Exchange.
2. None of our Directors is or was, in the past ten years, a director of any listed company which has been or was delisted from any stock exchange in India during the term of their directorship in such company.

#### CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting.

We have a Board constituted the Board Committees in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently, our Company has 6 (Six) Directors on our Board including women Director, comprising of 1 (One) Executive Director, 2 (Two) Non-Executive Directors, and 3 (Three) Independent Directors.

**The following committees have been formed in compliance with the corporate governance norms:**

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination and Remuneration Committee

#### AUDIT COMMITTEE

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Section 177 of the Companies Act, 2013 and regulation 18 of SEBI LODR Regulations.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013 and regulation 18 of SEBI LODR Regulations. The committee presently comprises following three (3) directors. Sunder Raj Nyayapathi is the Chairman of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Sunder Raj Nyayapathi	Chairman	Independent Director
2.	Patlola Venkata Lakshma Reddy	Member	Independent Director
3.	Sudhakaran Sunkerneni Reddy	Member	Executive Director

### **Role of Audit Committee**

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with internal auditors any significant findings and follow up there on.

14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
20. Mandatorily reviews the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
21. Review the Financial Statements of its subsidiary company, if any.
22. Review the composition of the Board of Directors of its Subsidiary Company, if any.
23. Review the Vigil mechanism (whistle blowing) policy.
24. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc.) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Our Company has constituted a Stakeholders Relationship Committee ("***Stakeholders relationship committee***") to redress the complaints of the shareholders in terms of section 178 (5) of Companies Act, 2013 and regulation 20 of SEBI LODR Regulations. The committee currently comprises of three (3) Directors. Sunder Raj Nyayapathi is the Chairman of the Stakeholders relationship Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Sunder Raj Nyayapathi	Chairman	Independent Director
2.	Patlola Venkata Lakshma Reddy	Member	Independent Director
3.	Sudhakiran Sunkerneni Reddy	Member	Executive Director

### Role of stakeholder Relationship committee

The Stakeholder Relationship Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also, delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

### NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a Nomination and Remuneration Committee ("Nomination and Remuneration Committee") in terms of section 178 (1) of Companies Act, 2013 and regulation 19 of SEBI LODR Regulations. The Committee currently comprises of three (3) Directors. Sunder Raj Nyayapathi is the Chairman of the Nomination and Remuneration Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Sunder Raj Nyayapathi	Chairman	Independent Director
2.	Sunitha Kuchakulla	Member	Independent Director
3.	Patlola Venkata Lakshma Reddy	Member	Independent Director

The Company Secretary of our Company shall act as the Secretary to the Nomination and Remuneration Committee.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- The Nomination and Remuneration committee recommends to the board the compensation terms of the executive Directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

#### Our Key Management Personnel and Senior Management Personnel

Sr. No.	Name of key Management Personnel and Senior Management Personnel	Designation	Associated with the Company Since
1.	Sudhakaran Sunkerneni Reddy	Managing Director	30/09/2015
2.	Ravichandra Rao	Chief Financial Officer	16/01/2023
3.	Arvind Dwivedi	Chief Executive Officer	01/12/2022
4.	Piyush Prajapati	Company Secretary	01/05/2023

#### Profile of our KMPs

The details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer:

**Sudhakaran Sunkerneni Reddy, aged 55 years**, a distinguished Chartered Accountant representing a coalition of specialized skills in corporate finance advisory, tax consultancy with demonstrated skills in implementation of ERP Software (SAP) in countries across two continents.

A strong believer in adding value and optimizing the benefits accruing to stakeholders. Expert in managing risk and creating value for money by leveraging talent and technology. Possessing a broad vision and experience of over 20 years, he has been actively involved with many products and services companies, to help them develop and grow.

**Ravichandra Rao, aged 58 years**, he is Chartered Accountant by qualification. He possesses 29 years of work experience in Manufacturing, FMCG, Hotels, Publishing and Constructions Industries and his areas of expertise include corporate finance, business finance, operations planning and revenue assurance, managing critical finance functions, adhering to regulatory compliance and experience and knowledge of mergers and acquisitions of groups, determining financial strategies to move the organization forward by setting financial goals.

**Arvind Dwivedi, aged 55 years**, he is one of the key Strategic Player in Telecom carrying Two Patents on wireless security with one of key leaders in building Bluetooth and Wifi Protocol. He is one of the key approvers of Biometric API's. He is one of the initiators on Data Strategy and building R World. RBT Platform and the concept of Appstore in 2006 during the tenure of Reliance Communication where he was heading Data Team. He was also one of the key initiators on AI and Machine Learning in 2010. During his Carrier he had served ICL, Tata, Reliance Communication, OnMobile, Softblue, etc. He has helped JIO to build the BSS/OSS layer in a capacity of Consultant from Zenith.

He has taken Various companies from India to 27 different Countries, Revenue from 1 ML \$ to 8 ML \$, Customer from 1 to more than 50 customers within 5 years. He has helped Nokia to Architect and build Customer Experience Management for NOKIA. He is known for his global thought leader in IOT, Telecom, IT Strategy, Analytics. Having led Several large, hyper growth, multinational telecom and consulting Companies Globally, he has worked on technology-based transformation of the companies. He is one the key leaders in defining IT strategy and movement in Cable and Media companies in India. Apart from Technology Arvind is working on Energy Efficiency and providing Technological solution in Agriculture for better growth of Farmers.

**Piyush Prajapati, aged 32 years**, he is a company secretary by qualification. He has also done his masters in commerce from Rajasthan University. He has experience of more than 7 years in corporate and company law related matters. He is also a freelance academic writer making Academic Assignments for foreign clients, dealing with them and generating leads through various social media



channels.

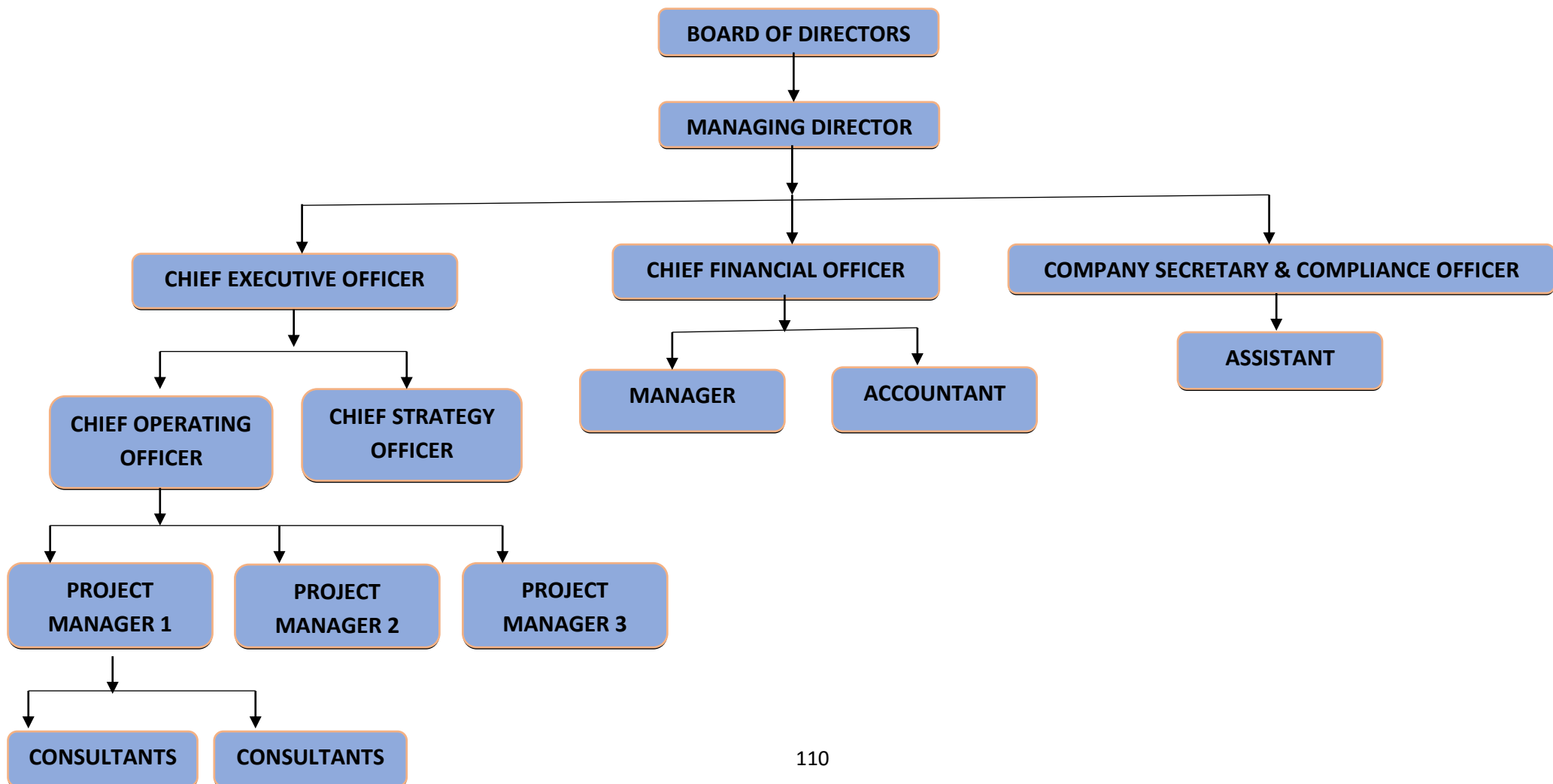
**All our Key Managerial Personnel are permanent employees of our Company.**

**Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel**

There is no relationship between Key managerial personnel with Our Directors, Promoter and/ or Other Key Managerial personnel.

### Management Organization Structure

Set forth is the organization structure of our Company:




### OUR PROMOTER

Our Promoter is Mr. Sudhakiran Reddy Sunkerneni.

#### DETAILS OF OUR PROMOTER IS AS UNDER

##### 1. Mr. Sudhakiran Reddy Sunkerneni

	<p><b>Mr. Sudhakiran Reddy Sunkerneni</b>, aged 55 years, a distinguished Chartered Accountant representing a coalition of specialized skills in corporate finance advisory, tax consultancy with demonstrated skills in implementation of ERP Software (SAP) in countries across two continents.</p> <p>A strong believer in adding value and optimizing the benefits accruing to stakeholders. Expert in managing risk and creating value for money by leveraging talent and technology. Possessing a broad vision and experience of over 20 years, he has been actively involved with many products and services companies, to help them develop and grow.</p>
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#### Identification

<b>Name</b>	Sudhakiran Reddy Sunkerneni
<b>Permanent Account Number</b>	AEAPS7746F
<b>Passport No.</b>	T6116348
<b>Driving License</b>	-
<b>Aadhar Number</b>	993710148231
<b>Date of Birth</b>	10/05/1967
<b>Education Qualification</b>	B. Com, Chartered Accountant
<b>Bank Account Details</b>	Account Name : Sudhakiran Reddy Sunkerneni Current Account : 00211930003712 IFSC : HDFC0000021 Swift Code : HDFCINBB
<b>Address</b>	Plot No. 47, Road No. 7, Prashasan Nagar, Jubilee Hills, Hyderabad - 500033, Telangana.
<b>Other Directorship</b>	1. Softpoint Technologies Private Limited

#### Confirmation

Our Promoter and persons forming part of Promoter Group have confirmed that they have not been declared as wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoter and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter has a negative net worth as of the date of the respective last audited financial statements.

#### **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, and other applicable laws. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

We have not declared any dividend in the previous five (5) financial years immediately preceding this issue.

## SECTION VI - FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

Particulars	Page No.
Audited Standalone and Consolidated Financial Statements for the financial year ended on March 31, 2022	F1
Limited Review Report and Unaudited Standalone and Consolidated Financial Statements for the Nine months ended on December 31, 2022	F88
Statement of Accounting Ratios	114

#### Material changes and commitments, if any, affecting our financial position

There are no material changes and commitments, which are likely to affect our financial position since March 31, 2022 till date of this Letter of Offer. We have not given Restated Financials because we fall under Part-B of SEBI (ICDR), 2018. We have approved and filed the limited review financial results for the Nine months ended December 31, 2022 with the Stock Exchange. For the limited review financial results for the Nine months ended December 31, 2022, please see section "Financial Information" on page 113.

*[The rest of this page has been intentionally left blank]*

### INDEPENDENT AUDITORS' REPORT

To the members of **ADROIT INFOTECH LIMITED**  
Report on the Standalone Financial Statements

#### Opinion:-

1. We have audited the accompanying financial statements of **ADROIT INFOTECH LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion:-

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these Matters.





**Other Information:-**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

**Management's Responsibility for the Standalone Financial Statements:-**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process





### **Auditors' Responsibility for the Standalone Financial Statements:-**

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
2. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
3. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
5. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
6. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements:-**

7. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure B** a statement on the matters specified in paragraph 3 and 4 of the Order.
8. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of accounts required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-A.
  - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations



given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2022 on its financial position in its Ind AS financial statements.
  - ii. The Company has not made provision as at March 31, 2022, as required under the applicable law or accounting standards.
- h. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the company has not provided/paid the remuneration to its directors during the year hence the provisions of the section 197 of the Act is not applicable.

For Niranjana & Narayan  
Chartered Accountants  
(Firm Registration no: 005899S)



P Venumadhava Rao  
Partner  
Membership No.: 202785  
UDIN: 22202785ALWCBZ6355



Place: Hyderabad  
Date : 21.05.2022



### **Annexure B to the Auditors' Report**

Annexure referred under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, we report that:

**(i) In respect of property plant & Equipment.**

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;
- (b) The Property, Plant & Equipment have been physically verified by the management at reasonable intervals; we are informed that no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

**(ii) In respect of its inventory:**

Since the company does not have inventory this clause is not applicable to the company .

- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act. Thus, Clause 3(iii) (a),(b) and (c) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of any loans given or provided any guarantees or given any security or made any investments as applicable.
- (v) According to the information and explanations given to us the company had not accepted any Public deposits, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, . Therefore, provisions of clause (v) of paragraph 3 of the report is not applicable to the company
- (vi) In respect of business activities of the company, maintenance of cost records has not been specified by the central government under section 148(1) of the companies Act 2013.





- (vii) According to the information and explanations given to us the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities Except for the amount of 2,40,55,696 which includes Gst of Rs.1,82,77,731 and Tds of Rs. 57,77,965 as at the last day of the financial year concerned are in arrears for a period of more than six months from the date they became payable.
- (viii) There is no unearned income to be recorded in the books of accounts as income during the year.
- (ix) Based on our Audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- (x) The company has not issued any initial public offer or further public offer( including debt Instruments) and has not made any preferential allotment or private allotment of shares.
- (xi) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) The company has an internal audit system Commensurate with the size and nature of its business. The reports of the internal auditors for the period under audit were considered.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with directors.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.
- (xvii) The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There is no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payments of financial liabilities, other information accompanying the financial statements, the auditors knowledge of board of directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of audit report that company is capable of meeting its liabilities existing as on the date of balance sheet.



(xx) There is no applicability of CSR to the company.

(xxi) There is no Qualification or adverse remarks by the respective auditors in the CARO reports of the group companies.

For Niranjana & Narayan  
Chartered Accountants  
(Firm Registration no: 005899S)



P Venumadhava Rao  
Partner  
Membership No.:202785  
UDIN:22202785ALWCBZ6355



Place: Hyderabad  
Date : 21.05.2022



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ADROIT INFOTECH LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 except for the matter prescribed in basis of qualified opinion para , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Niranjana & Narayan  
Chartered Accountants  
(Firm Registration no: 005899S)

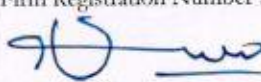
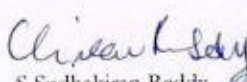
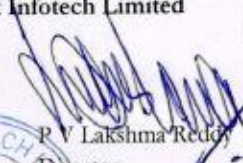

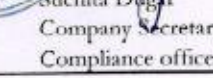


P Venumadhava Rao  
Partner  
Membership No.:202785  
UDIN:22202785ALWCBZ6355



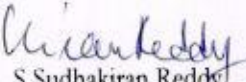

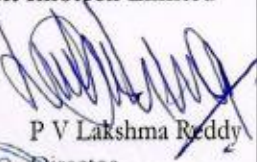
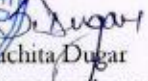
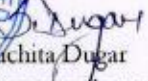


Place: Hyderabad  
Date : 21.05.2022



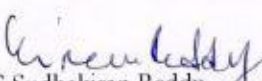

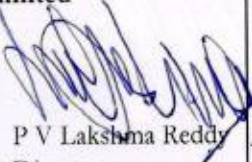


<b>ADROIT INFOTECH LIMITED</b> <b>Plot No 7A, MLA Colony, Road No: 12, Banjara Hills. Hyderabad -500034</b> <b>Standalone Balance Sheet as at March 31, 2022</b>			
Particulars	Note No	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	1,23,42,158	27,73,991
(b) Goodwill	2	-	-
(c) Other intangible assets	2	7,69,70,901	8,65,81,551
(e) Financial Assets		-	-
(i) Investments	3	-	8,00,000
(f) Deferred tax Assets (net)	4	29,50,661	28,42,011
(g) Other non-current Assets	5	1,58,07,623	-
<b>Total Non-Current Assets</b>		<b>10,80,71,343</b>	<b>9,29,97,553</b>
<b>Current Assets</b>			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade Receivables	6	2,94,94,455	4,21,18,007
(ii) Cash & Cash Equivalents	7	29,167	30,988
(iii) Bank Balances other than (ii) above		6,21,462	1,69,819
(iv) Loans	8	2,84,35,000	15,02,892
(v) Others (Int accrued on employee loans & term deposits)		-	-
(c) Current Tax Assets (Net)	9	82,84,016	83,05,622
(d) Other Current Assets	10	1,77,721	2,27,785
<b>Total Current Assets</b>		<b>6,70,41,822</b>	<b>5,23,55,113</b>
<b>TOTAL ASSETS</b>		<b>17,51,13,166</b>	<b>14,53,52,666</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	18,26,73,720	18,26,73,720
(b) Other Equity	12	(11,34,20,572)	(11,96,06,987)
<b>Total Equity</b>		<b>6,92,53,148</b>	<b>6,30,66,733</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	89,50,570	39,44,097
(ii) Trade Payables	14	20,59,541	21,54,581
(iii) Other Financial Liabilities	15	4,79,97,588	3,20,92,850
(b) Provisions	16	6,61,702	-
(c) Deferred Tax Liabilities		-	-
(c) Other non-current liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>5,96,69,402</b>	<b>3,81,91,528</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	89,99,334	89,79,541
(ii) Trade payables	18	77,56,722	18,49,769
(iii) Other Financial Liabilities		-	-
(b) Provisions	19	20,24,912	48,46,943
(c) Current Tax Liabilities (net)	20	15,63,319	18,91,116
(d) Other current liabilities	21	2,58,46,327	2,65,27,036
<b>Total Current Liabilities</b>		<b>4,61,90,616</b>	<b>4,40,94,405</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,51,13,166</b>	<b>14,53,52,666</b>
<b>Basis of Preparation &amp; Significant Accounting Policies</b>	1		
For Niranjana & Narayan Chartered Accountants Firm Registration Number : 005899S  P Venumadhava Rao Partner Membership Number : 202785  Place: Hyderabad Date: 21-May-2022		for and on behalf of Adroit Infotech Limited   S Sudhakaran Reddy Managing Director DIN 01436242   P V Lakshma Reddy Director DIN 01108707   Mohammed Salam Chief Finance officer   Suchita Dugar Company Secretary & Compliance officer	



<b>ADROIT INFOTECH LIMITED</b> <b>Plot No 7A, MLA Colony, Road No: 12, Banjara Hills. Hyderabad -500034</b> <b>Standalone Statement of Profit and Loss for the year ended March 31, 2022</b> <b>(In Rupees )</b>			
Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Income</b>			
i) Revenue From Operations	22	6,37,10,163	6,18,08,853
ii) Other Income	23	11,50,118	89,20,949
<b>Total Income</b>		<b>6,48,60,281</b>	<b>7,07,29,802</b>
<b>Expenses</b>			
i) Cost of Service Licenses		-	-
ii) Employee benefits expense	24	3,21,16,828	3,29,01,343
iii) Depreciation and amortisation expense	25	1,08,49,412	1,09,21,435
iv) Finance Cost	26	17,20,068	18,23,798
v) Other Expenses	27	1,34,27,113	1,05,79,490
<b>Total expenses</b>		<b>5,81,13,422</b>	<b>5,62,26,066</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>67,46,859</b>	<b>1,45,03,736</b>
Exceptional Items		6,69,093	1,42,31,513
<b>Profit Before Tax</b>		<b>60,77,766</b>	<b>2,72,223</b>
Tax Expenses			
-Current Tax		-	3,27,797
-Deferred Tax		(1,08,649)	(6,672)
-MAT Tax (credit)		-	-
<b>Profit/(loss) for the period from continuing operations</b>		<b>61,86,415</b>	<b>(48,902)</b>
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
<b>Profit/(loss) from discontinued operations after tax</b>		<b>-</b>	<b>-</b>
<b>I Profit/(loss) for the Period</b>		<b>61,86,415</b>	<b>(48,902)</b>
<b>II Other Comprehensive Income</b>			
i) Items that will not be reclassified to profit or loss:			
-Impairment of allowances in doubt ful debt		-	-
-Remeasurements of the defined benefit plans		-	-
-Equity Instruments through other comprehensive income		-	-
-Income Tax relating to these items		-	-
ii) Items that will be reclassified to profit or loss:			
-Debt Instruments through Other Comprehensive Income		-	-
-The effective portion of gains and loss on hedging instruments in a cash flow hedge		-	-
-Income Tax relating to these items		-	-
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the period</b>		<b>61,86,415</b>	<b>(48,902)</b>
Earnings per equity share :			
(1) Basic		0.34	(0.00)
(2) Diluted		0.34	(0.00)
For Niranjana & Narayan Chartered Accountants Firm Registration Number : 005899S  P Venumadhava Rao Partner Membership Number : 202785  Place: Hyderabad Date: 21-May-2022		for and on behalf of Adroit Infotech Limited  S Sudhakaran Reddy Managing Director DIN 01436242   P V Lakshma Reddy Director DIN 01108707  Mohammed Salam Chief Finance officer  Suchita Dugar Company Secretary & Compliance officer	



ADROIT INFOTECH LIMITED		
Cash Flow Statement For The Year Ended March 31, 2022		
(In Rupees)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	60,77,766	2,72,223
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>		
Adjustments for		
Depreciation and amortisation expense	1,08,49,412	1,09,21,435
Interest Income	11,50,118	4,67,271
Finance costs(net)	-	-
	<b>1,80,77,296</b>	<b>1,16,60,929</b>
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
Increase/ (Decrease) in Short Term Borrowings	50,26,266	12,51,614
Increase/(Decrease) in Trade payables	58,11,913	(18,90,441)
Increase/ (Decrease) in Other Current Liabilities	(6,80,709)	(54,78,549)
Increase/ (Decrease) in Current Tax Liabilities	(3,27,797)	3,27,797
Increase/ (Decrease) in Non-Current Liabilities	1,59,04,738	(1,43,26,078)
Increase/ (Decrease) in Long Term Provisions	6,61,702	(9,79,246)
Increase/ (Decrease) in Short Tem Provisions	(28,22,031)	(69,60,029)
Increase/ Decrease in Trade receivables	1,26,23,551	(1,08,39,619)
Increase/ Decrease in Other Non-Current Assets	(1,58,07,623)	1,82,525
Increase/ Decrease in Short Term Loans and advances	(2,69,32,108)	(3,58,746)
Increase/ Decrease in Current Tax Assets	21,605	51,22,927
Increase/ Decrease in Other Current Assets	50,063	31,28,112
<b>Cash generated from operations</b>	<b>1,16,06,867</b>	<b>(1,91,58,804)</b>
Interest Paid	-	-
Direct Taxes	-	(3,27,797)
<b>Net cash inflow from operating activities</b>	<b>1,16,06,867</b>	<b>(1,94,86,601)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,08,06,929)	1,98,99,897
Proceeds/purchase on or Investments	8,00,000	-
Interest Income	(11,50,118)	(4,67,271)
<b>Net cash outflow from investing activities</b>	<b>(1,11,57,047)</b>	<b>1,94,32,626</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
Proceeds from issue of shares	-	-
Interest paid	-	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,49,821</b>	<b>(53,975)</b>
Cash and cash equivalents at the beginning of the financial year	2,00,808	2,54,783
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>6,50,629</b>	<b>2,00,808</b>
<div> <div> For Niranjana &amp; Narayan Chartered Accountants Firm Registration Number : 005899S     P Venumadhava Rao Partner Membership Number : 202785   Place: Hyderabad Date: 21-May-2022 </div> <div>  </div> <div> for and on behalf of Adroit Infotech Limited     S Sudhakiran Reddy Managing Director DIN 01436242    </div> <div>   P V Lakshma Reddy Director DIN 01108707 </div> </div>		



**ADROIT INFOTECH LIMITED**  
Notes to accounts for the year ended March 31, 2022

**2 Property, Plant and Equipment**

(In Rupees)

Particulars	Rate of Dep.	Gross carrying value as at April 1, 2021	Additions	Disposal/adj. usments	Gross carrying value as at March 31, 2022	Accumulated depreciation as at April 1, 2021	Depreciation for the year	Disposal/ adjustments	Accumulated depreciation as at March 31, 2022	Carrying Value as at March 31, 2022	Carrying Value as at March 31, 2021
Computers	63.16%	1,87,11,839	38,500	34,569	1,87,15,770	1,86,70,383	30,114	-	1,87,00,497.10	15,272.52	41,456
Servers & Networks	39.39%	18,20,412	-	-	18,20,412	16,71,421	58,553	-	17,29,974.50	90,437.50	1,48,991
Furniture and Fixtures	25.89%	30,73,438	-	-	30,73,438	23,90,857	1,76,720	-	25,67,577.44	5,05,860.56	6,82,581
Electrical Equipments	25.89%	4,23,648	-	-	4,23,648	2,03,342	57,037	-	2,60,379.12	1,63,268.88	2,20,306
Office Equipments	45.07%	10,55,760	-	-	10,55,760	9,61,713	42,387	-	10,04,099.92	51,660.08	94,047
Motor Vehicles	31.23%	50,74,854	1,07,70,498	-	1,58,45,352	35,27,426	8,33,447	-	43,60,873.77	1,14,84,478.23	15,47,428
Genset	18.10%	3,50,386	-	-	3,50,386	3,13,225	6,726	-	3,19,951.38	30,434.62	37,161
Buildings (Temporary Structures)	63.16%	2,66,679	-	-	2,66,679	2,64,655	1,279	-	2,65,933.26	745.74	2,024
<b>Total</b>		<b>3,07,77,016</b>	<b>1,08,08,998</b>	<b>34,569</b>	<b>4,15,51,445</b>	<b>2,80,03,022</b>	<b>12,06,264</b>	<b>-</b>	<b>2,92,09,286</b>	<b>1,23,42,158</b>	<b>27,73,994</b>

**Other Intangible Assets**

Particulars	Gross carrying value as at April 1, 2021	Additions	Disposal/adj. usments	Gross carrying value as at March 31, 2022	Accumulated depreciation as at April 1, 2021	Depreciation for the year	Disposal/ adjustments	Accumulated depreciation as at March 31, 2022	Carrying Value as at March 31, 2022	Carrying Value as at March 31, 2021
Computer Software	12,96,899	32,500	-	13,29,399	12,80,226	24,828	-	13,05,054	24,343.81	16,673
Intangible Assets others & Intangible Assets Under Development	9,61,83,198	-	-	9,61,83,198	96,18,319.80	96,18,320	-	1,92,36,640	7,69,46,557.40	8,65,64,878
<b>Total</b>	<b>12,96,899</b>	<b>32,500</b>	<b>-</b>	<b>13,29,399</b>	<b>12,80,226</b>	<b>96,43,148</b>	<b>-</b>	<b>13,05,054</b>	<b>7,69,70,901</b>	<b>8,65,81,551</b>





**ADROIT INFOTECH LIMITED**

**Depreciation statement as per the Provisions of the Income Tax Act For the Assessment Year 2021-22**

Sr. No	Particulars	Rate	Gross Block					Value at the end	Depreciaton	Net Block
			Value at the beginning	Deduction during the year	Value after Deduction	Addition during the year(>180 Days)	Addition during the year(<180 Days)			
	Property, Plant & Equipment									
<b>A</b>	<b>Tangible Assets</b>									
1	Furniture & Fixtures	10%	16,63,939		16,63,939			16,63,939	1,66,394	14,97,545
2	Office Equipments	15%	5,12,027		5,12,027			5,12,027	76,804	4,35,223
3	Computer Equipment	40%	3,23,886		3,23,886			3,23,886	1,29,554	1,94,332
4	Residential building	5%	62,955		62,955			62,955	3,148	59,807
5	Vehicle	15%	31,17,428		31,17,428		1,07,70,498	1,38,87,926	12,75,402	1,26,12,524
6	Leasehold Improvement	5%	2,64,052		2,64,052			2,64,052	13,203	2,50,849
7	Building (Temp Structure)	40%	40,425		40,425			40,425	16,170	24,255
8	Electrical Fittings	15%	4,95,907		4,95,907			4,95,907	74,386	4,21,521
	<b>Sub-Total</b>		<b>64,80,619</b>	<b>-</b>	<b>64,80,619</b>	<b>-</b>	<b>1,07,70,498</b>	<b>1,72,51,117</b>	<b>17,55,061</b>	<b>1,54,96,056</b>
<b>B</b>	<b>Intangible Assets</b>									
1	Computer Software	40%	66,651		66,651		32,500	99,151	33,160	65,991
2	Salary - 6Th Pay Commission	40%	6,169		6,169		-	6,169	2,468	3,701
3	Other Assets WIP &	10%	7,56,00,000		7,56,00,000			7,56,00,000	75,60,000	6,80,40,000
	Intangible assets under develop	0%	1,15,04,878		1,15,04,878			1,15,04,878	11,50,487.82	1,03,54,390
4	Capital work-in-progress	0%								
	<b>Sub-Total</b>		<b>8,71,77,698</b>	<b>-</b>	<b>8,71,77,698</b>	<b>-</b>	<b>32,500</b>	<b>8,72,10,198</b>	<b>87,46,116</b>	<b>7,84,64,082</b>
	<b>Total (A+B) Adroit</b>		<b>9,36,58,317</b>	<b>-</b>	<b>9,36,58,317</b>	<b>-</b>	<b>1,08,02,998</b>	<b>10,44,61,315</b>	<b>1,05,01,177</b>	<b>9,39,60,138</b>

Block wise Depreciation			Value at the beginning	Deduction during the year	Value after Deduction	Addition during the year(>180 Days)	Addition during the year(<180 Days)	Value at the end	For the year	WDV as on 31.03.2022
	Block -1	40%	3,96,706	-	3,96,706	-	32,500	4,29,206	1,65,182	2,64,024
	Block -1 Building	40%	40,425	-	40,425	-	-	40,425	16,170	24,255
	Block -2	15%	41,25,362	-	41,25,362	-	1,07,70,498	1,48,95,860	14,26,592	1,34,69,268
	Block -3	10%	16,63,939	-	16,63,939	-	-	16,63,939	1,66,394	14,97,545
	Block -4	5%	3,27,007	-	3,27,007	-	-	3,27,007	16,350	3,10,657
	Block -5	10%	8,71,04,878	-	8,71,04,878	-	-	8,71,04,878	87,10,489	7,83,94,389
	<b>Total</b>		<b>9,36,58,317</b>	<b>-</b>	<b>9,36,58,317</b>	<b>-</b>	<b>1,08,02,998</b>	<b>10,44,61,315</b>	<b>1,05,01,177</b>	<b>9,39,60,138</b>





**ADROIT INFOTECH LIMITED**

Notes to accounts for the year ended March 31, 2022

**3 Non Current Investments**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment in equity instrument (unquoted)</b>		
(31st March 2022) Equity shares of Sphere Gobal Services FZ LLC.	-	8,00,000
<b>Total</b>	-	<b>8,00,000</b>
Aggregate amount of unquoted Investments	-	8,00,000
Aggregate amount of impairment in value of Investments	8,00,000	Nil

**4 Deferred tax assets and liabilities**

Movement in Deferred Tax Assets and Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Deferred Tax Liability</b>		
Opening balance	5,20,029	-
Adjustment to Profit loss account	(1,08,649)	5,20,029
Closing balance as on	<b>4,11,380</b>	<b>5,20,029</b>
<b>b) Deferred tax Assets</b>		
Opening balance	33,62,041	-
Adjustment to Profit loss account	-	33,62,040
Closing balance as on	<b>33,62,041</b>	<b>33,62,040</b>
<b>Net Deferred Tax Assets</b>	<b>29,50,661</b>	<b>28,42,011</b>

**Unrecognised Deferred tax assets**

Deffered tax assets have not been recognised in respect of the following items

Particulars	As at March 31, 2022	As at March 31, 2021
Deductible temporary differences	-	-
Tax losses	-	-
<b>Total</b>	-	-

**5 Other Non Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Long-term Trade Receivables (including trade receivables on deferred credit terms);	1,58,07,623	-
<b>Total</b>	<b>1,58,07,623</b>	-



**ADROIT INFOTECH LIMITED**

Notes to accounts for the year ended March 31, 2022

**6 Trade Receivables Current**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Trade Receivables from related parties</b>		
Secured, considered Good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Allowances for doubtful debts	-	-
Sub-Total	-	-
<b>(ii) Other Trade Receivables</b>		
Secured, considered Good	-	-
Unsecured, considered good	2,94,94,455	4,21,18,007
Doubtful	-	-
Allowances for doubtful debts	-	-
Sub-Total	2,94,94,455	4,21,18,007
<b>Total</b>	<b>2,94,94,455</b>	<b>4,21,18,007</b>

Trade receivables ageing schedule for the years ended as on March 31, 2022 (Refer Note No. 35)

**7 Cash & Cash Equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	29,167	30,988
Cheques, Drafts on hand	-	-
<b>Balances with Banks</b>		
-in Current Account	6,21,462	1,69,819
<b>Total</b>	<b>6,50,629</b>	<b>2,00,807</b>

**8 Loans**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured (considered good)		
Advance from Suppliers	-	-
*Other Advances	2,84,35,000	-
- Salary Advance	-	3,42,219
- Interest Receivable	-	11,60,673
<b>Total</b>	<b>2,84,35,000</b>	<b>15,02,892</b>

\*This represent advances paid to the software development companies/firm/consultants towards under development representing cost of developing add-ons and generic software for certain ERP verticals capitalised each year under software development





**9 Current Tax Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
TDS deducted/Balance with Tax Authorities	71,71,666	73,23,211
GST Input 21-22	1,29,939	-
MAT Credit Entitlement Acct	9,82,411	9,82,411
<b>Total</b>	<b>82,84,016</b>	<b>83,05,622</b>

**10 Other Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Workin Progress (Revenue a/c)*	-	-
Prepaid Expenses	1,77,721	2,27,785
<b>Total</b>	<b>1,77,721</b>	<b>2,27,785</b>

**11 Equity Shares**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorized</b>		
Ordinary shares of par value of Rs. 10/- each		
Number	3,93,15,000	3,93,15,000
<b>Amount</b>	<b>39,31,50,000</b>	<b>39,31,50,000</b>
<b>Issued, subscribed and fully paid</b>		
Ordinary shares of par value of Rs.10/- each		
Number	1,82,67,372	1,82,67,372
Amount	18,26,73,720	18,26,73,720
<b>Amount</b>	<b>18,26,73,720</b>	<b>18,26,73,720</b>

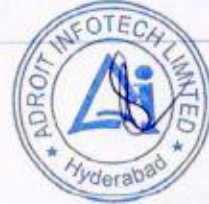
**A Reconciliation of number of shares:**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Equity Shares	1,82,67,372	1,82,67,372
Add: -No. of Shares, Share Capital issued/ subscribed during the	-	-
Less: Deduction	-	-
<b>Closing balance</b>	<b>1,82,67,372</b>	<b>1,82,67,372</b>

**B Numbers of Shares in the company held by shareholder holding more than 5 percent**

Name of the Shareholder	As at March 31, 2022	As at March 31, 2021
SoftPoint Technologies Private Limited	84,80,795	84,80,795
- Percentage of Holdings	46.43%	46.43%
Jokeman Media Entertainment Pvt Ltd	-	-
- Percentage of Holdings	0.00%	0.00%
S Sudhakiran Reddy	10,49,469	10,49,469
- Percentage of Holdings	5.75%	5.75%

The Company has one class of share capital, comprising ordinary shares of Rs. 10/- each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.



**12 Other Equity**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Securities Premium</b>		
Balance as per last balance sheet	2,40,00,000	2,40,00,000
Add Premium on issue of shares Rs 40 on 6 lakhs shares	-	-
Closing balance	<b>2,40,00,000</b>	<b>2,40,00,000</b>
<b>Share Application Money</b>	-	-
<b>Share warrents forfeiture</b>		
Balance as per last balance sheet	50,00,000	50,00,000
Add forfeited during the year	-	-
Closing balance	<b>50,00,000</b>	<b>50,00,000</b>
<b>Surplus in Profit and Loss account</b>		
Opening balance	(14,86,06,987)	(14,85,58,085)
Add: Current Year Transfer		
Profit and loss account	61,86,415	(48,902)
Transfer of Merged company as per court order	-	-
Less Dividend of 2021-22	-	-
Less Dividend Distribution Tax of 2021-22	-	-
Closing balance	<b>(14,24,20,572)</b>	<b>(14,86,06,987)</b>
<b>Total Other Equity</b>	<b>(11,34,20,572)</b>	<b>(11,96,06,987)</b>

**NON-CURRENT LIABILITIES****13 Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Term Loans</b>		
(a) From others		
-Secured*	89,50,570	39,44,097
-Unsecured	-	-
<b>Total</b>	<b>89,50,570</b>	<b>39,44,097</b>

\* Represents Vehicles loan, Hypothecation of Vehicles. TATA Motar Limited is payable 10 balance instalments at the rate of interest @8.5% p.a and Anotehr loan from HDFC Bank Limited is payable on 59 balance instalments at the rate of interest @7.1% p.a. AND Guarantee Emergency Credit Line (GECL) provided by HDFC Bank at the rate of interest @ 9.25% p.a balance 28 Instalment payable

**14 Non Current Trade Payables**

Particulars	As at March 31, 2022	As at March 31, 2021
Other than MSMEs		
-Trade Payables	20,59,541	21,54,581
-Other Trade Payables	-	-
MSMEs		
-Trade Payables	-	-
<b>Total</b>	<b>20,59,541</b>	<b>21,54,581</b>

Trade payables ageing schedule for the years ended as on March 31, 2022 (Refer Note No. 35)

**15 Non-Current-Other Financial Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
(a) From Others- Related parties*	4,79,97,588	3,20,92,850
<b>Total</b>	<b>4,79,97,588</b>	<b>3,20,92,850</b>

\*Unsecured loans from Related parties (Director/s) are interest free and payable on demand





**16 Non Current Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity Payable	6,61,702	-
Others Provision	-	-
<b>Total</b>	<b>6,61,702</b>	<b>-</b>

**CURRENT LIABILITIES**
**17 Borrowings Current**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Term Loans	-	-
(ii) Cash Credits	-	-
(a) From Banks	-	-
- Secured	89,99,334	89,79,541
- Unsecured	-	-
(ii) Loans Unsecured	-	-
(a) From Others- Related parties**	-	-
(b) From others	-	-
(iii) Deposits	-	-
Securitiy Deposit	-	-
<b>Total</b>	<b>89,99,334</b>	<b>89,79,541</b>

\*Cash Credit the cash credit is secured by way of hypothecation of all chargeable current assets of the company including receivables both present and future and first charge on moveable fixed assets of the company both present and future as collateral security, Interest charged at 12.5% p.a

**18 Current Trade Payable**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>CURRENT</b>		
Other than MSMEs		
-Trade Payables	77,56,722	18,49,769
-Other Trade Payables (Consultants)	-	-
<b>MSMEs</b>		
-Nil	-	-
<b>Total</b>	<b>77,56,722</b>	<b>18,49,769</b>

Trade payables ageing schedule for the years ended as on March 31, 2022 (Refer Note No. 35)

**19 Curent Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Exmployee benefit	20,24,912	40,81,895
Other Provisions	-	7,65,048
<b>Total</b>	<b>20,24,912</b>	<b>48,46,943</b>

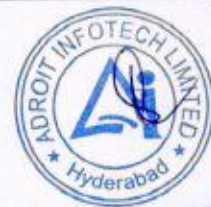


## 20 Current Tax Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	15,63,319	15,63,319
Current Tax payable	-	3,27,797
Adjustments	-	-
<b>Closing balance as at 31st March</b>	<b>15,63,319</b>	<b>18,91,116</b>

## 21 Other Liabilities Current

Particulars	As at March 31, 2022	As at March 31, 2021
-Statutory dues Payable	2,52,84,571	2,56,92,055
-Expensers Payable	5,61,757	8,34,981
-Other payables	-	-
<b>Total</b>	<b>2,58,46,327</b>	<b>2,65,27,036</b>



**ADROIT INFOTECH LIMITED**

Notes to accounts for the year ended March 31, 2022

**6 Trade Receivables Current**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Trade Receivables from related parties</b>		
Secured, considered Good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Allowances for doubtful debts	-	-
Sub-Total	-	-
<b>(ii) Other Trade Receivables</b>		
Secured, considered Good	-	-
Unsecured, considered good	2,94,94,455	4,21,18,007
Doubtful	-	-
Allowances for doubtful debts	-	-
Sub-Total	2,94,94,455	4,21,18,007
<b>Total</b>	<b>2,94,94,455</b>	<b>4,21,18,007</b>

Trade receivables ageing schedule for the years ended as on March 31, 2022 (Refer Note No. 35)

**7 Cash & Cash Equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	29,167	30,988
Cheques, Drafts on hand	-	-
<b>Balances with Banks</b>		
-in Current Account	6,21,462	1,69,819
<b>Total</b>	<b>6,50,629</b>	<b>2,00,807</b>

**8 Loans**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured (considered good)		
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- Salary Advance	-	3,42,219
- Interest Receivable	-	11,60,673
<b>Total</b>	<b>2,84,35,000</b>	<b>15,02,892</b>

\*This represent advances paid to the software development companies/firm/consultants towards under development representing cost of developing add-ons and generic software for certain ERP verticals capitalised each year under software development





**9 Current Tax Assets**

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GST Input 21-22	1,29,939	-
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<b>Total</b>	<b>82,84,016</b>	<b>83,05,622</b>

**10 Other Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Workin Progress (Revenue a/c)*	-	-
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<b>Total</b>	<b>1,77,721</b>	<b>2,27,785</b>

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Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorized</b>		
Ordinary shares of par value of Rs. 10/- each		
Number	3,93,15,000	3,93,15,000
<b>Amount</b>	<b>39,31,50,000</b>	<b>39,31,50,000</b>
<b>Issued, subscribed and fully paid</b>		
Ordinary shares of par value of Rs.10/- each		
Number	1,82,67,372	1,82,67,372
Amount	18,26,73,720	18,26,73,720
<b>Amount</b>	<b>18,26,73,720</b>	<b>18,26,73,720</b>

**A Reconciliation of number of shares:**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Equity Shares	1,82,67,372	1,82,67,372
Add: -No. of Shares, Share Capital issued/ subscribed during the	-	-
Less: Deduction	-	-
<b>Closing balance</b>	<b>1,82,67,372</b>	<b>1,82,67,372</b>

**B Numbers of Shares in the company held by shareholder holding more than 5 percent**

Name of the Shareholder	As at March 31, 2022	As at March 31, 2021
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**12 Other Equity**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Securities Premium</b>		
Balance as per last balance sheet	2,40,00,000	2,40,00,000
Add Premium on issue of shares Rs 40 on 6 lakhs shares	-	-
Closing balance	<b>2,40,00,000</b>	<b>2,40,00,000</b>
<b>Share Application Money</b>	-	-
<b>Share warrents forfeiture</b>		
Balance as per last balance sheet	50,00,000	50,00,000
Add forfeited during the year	-	-
Closing balance	<b>50,00,000</b>	<b>50,00,000</b>
<b>Surplus in Profit and Loss account</b>		
Opening balance	(14,86,06,987)	(14,85,58,085)
Add: Current Year Transfer		
Profit and loss account	61,86,415	(48,902)
Transfer of Merged company as per court order	-	-
Less Dividend of 2021-22	-	-
Less Dividend Distribution Tax of 2021-22	-	-
Closing balance	<b>(14,24,20,572)</b>	<b>(14,86,06,987)</b>
<b>Total Other Equity</b>	<b>(11,34,20,572)</b>	<b>(11,96,06,987)</b>

**NON-CURRENT LIABILITIES****13 Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i)Term Loans</b>		
(a) From others		
-Secured*	89,50,570	39,44,097
-Unsecured	-	-
<b>Total</b>	<b>89,50,570</b>	<b>39,44,097</b>

\* Represents Vehicles loan, Hypothecation of Vehicles. TATA Motar Limited is payable 10 balance instalments at the rate of interest @8.5% p.a and Anotehr loan from HDFC Bank Limited is payable on 59 balance instalments at the rate of interest @7.1% p.a. AND Guarantee Emergency Credit Line (GECL) provided by HDFC Bank at the rate of interest @ 9.25% p.a balance 28 Instalment payable

**14 Non Current Trade Payables**

Particulars	As at March 31, 2022	As at March 31, 2021
Other than MSMEs		
-Trade Payables	20,59,541	21,54,581
-Other Trade Payables	-	-
MSMEs		
-Trade Payables	-	-
<b>Total</b>	<b>20,59,541</b>	<b>21,54,581</b>

Trade payables ageing schedule for the years ended as on March 31, 2022 (Refer Note No. 35)

**15 Non-Current-Other Financial Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
(a)From Others- Related parties*	4,79,97,588	3,20,92,850
<b>Total</b>	<b>4,79,97,588</b>	<b>3,20,92,850</b>

\*Unsecured loans from Related parties (Director/s) are interest free and payable on demand





**16 Non Current Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity Payable	6,61,702	-
Others Provision	-	-
<b>Total</b>	<b>6,61,702</b>	<b>-</b>

**CURRENT LIABILITIES****17 Borrowings Current**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Term Loans	-	-
(ii) Cash Credits		
(a) From Banks		
-Secured	89,99,334	89,79,541
-Unsecured	-	-
(ii) Loans Unsecured		
(a) From Others- Related parties**	-	-
(b) From others	-	-
(iii) Deposits		
Security Deposit	-	-
<b>Total</b>	<b>89,99,334</b>	<b>89,79,541</b>

\*Cash Credit the cash credit is secured by way of hypothecation of all chargeable current assets of the company including receivables both present and future and first charge on moveable fixed assets of the company both present and future as collateral security, Interest charged at 12.5% p.a.

**18 Current Trade Payable**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>CURRENT</b>		
Other than MSMEs		
-Trade Payables	77,56,722	18,49,769
-Other Trade Payables (Consultants)	-	-
<b>MSMEs</b>		
-Nil	-	-
<b>Total</b>	<b>77,56,722</b>	<b>18,49,769</b>

Trade payables ageing schedule for the years ended as on March 31, 2022 (Refer Note No. 35)

**19 Current Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Exmployee benefit	20,24,912	40,81,895
Other Provisions	-	7,65,048
<b>Total</b>	<b>20,24,912</b>	<b>48,46,943</b>



20 Current Tax Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	15,63,319	15,63,319
Current Tax payable	-	3,27,797
Adjustments	-	-
Closing balance as at 31st March	15,63,319	18,91,116

21 Other Liabilities Current

Particulars	As at March 31, 2022	As at March 31, 2021
-Statutory dues Payable	2,52,84,571	2,56,92,055
-Expensers Payable	5,61,757	8,34,981
-Other payables	-	-
Total	2,58,46,327	2,65,27,036



**ADROIT INFOTECH LIMITED**

Notes to accounts for the year ended March 31, 2022

**22 Revenue From Operations**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from sale of Services	6,37,10,163	6,18,08,853
<b>TOTAL</b>	<b>6,37,10,163</b>	<b>6,18,08,853</b>

Note: Revenue includes both domestic and overseas net of taxes if any.

**23 Other Income**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	3,89,196	4,67,271
Other Income	3,40,159	84,53,678
Prior Period Exp./Income	4,20,762	-
<b>TOTAL</b>	<b>11,50,118</b>	<b>89,20,949</b>

**24 Employees' Benefit Expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	1,67,12,155	3,19,71,024
Directors Remuneration	12,00,000	-
Staff welfare Expenses	48,290	2,45,905
Employee Benefits & Provident Fund Expenses	5,37,383	6,84,414
Sub Contract Cost Expenses	1,36,19,000	-
<b>TOTAL</b>	<b>3,21,16,828</b>	<b>3,29,01,343</b>

**25 Depreciation And Amortization Expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation / Amortisation for the year		
Depreciation on PPE	1,08,49,412	1,09,21,435
<b>TOTAL</b>	<b>1,08,49,412</b>	<b>1,09,21,435</b>

**26 Finance Cost**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on cash credit and Term loan Expenses	13,59,698	13,61,861
Bank Charges	3,60,370	4,61,937
<b>TOTAL</b>	<b>17,20,068</b>	<b>18,23,798</b>





**27 Other Expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement Expenditure	88,160	50,840
Annual Listing Fee, Custody Fee & Demat Charges	12,41,892	8,35,385
Audit Fee	1,50,000	1,50,000
Books and Periodicals	10,820	16,432
Business Promotion Expenses	2,65,000	-
Electricity charges	4,96,616	6,93,353
E voting charges	10,817	9,851
Fuel and Diesel	45,634	44,336
Insurance Expenses	2,93,316	3,32,215
Late payments	20,070	-
Interest on Late payments	1,23,985	1,44,752
Internet Expenses / Telephone Expenses	71,250	3,26,612
Legal, License & Renewal fee	3,30,215	-
Loss on Sale of Asset	6,34,569	-
Miscellaneous Expenses	1,47,348	7,000
Office Maintenance	35,842	3,12,925
Office Rent	4,65,000	6,70,540
Placement and Training Charges	54,167	75,833
Postage & Courier Expense	20,815	35,205
Printing and Stationery	12,160	12,850
Professional Consultancy Fee	49,97,679	43,47,757
Rates and Taxes	27,895	28,020
Repairs and Maintenance	3,19,266	3,77,635
ROC Compliance and Filing Fee	12,080	31,820
Foreign Exchange Fluctuations	13,00,591	11,31,512
Travelling and Conveyance Expenses	28,044	1,51,181
Other Admin Expenses	22,23,883	7,93,436
<b>TOTAL</b>	<b>1,34,27,113</b>	<b>1,05,79,490</b>

**(i) Amount paid to auditors**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory Audit Fee	1,00,000	1,00,000
For Taxation Matters/Tax Audit	20,000	20,000
For Other Services	30,000	30,000
For Reimbursement of Expenses	-	-
<b>TOTAL</b>	<b>1,50,000</b>	<b>1,50,000</b>

**(ii) Extra Ordinary Items**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sundry Receivables Written Off	6,69,093	1,42,31,513
<b>TOTAL</b>	<b>6,69,093</b>	<b>1,42,31,513</b>





## 28. Auditors Remuneration

(Rs in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Auditors Remuneration		
- Statutory audit fees	1.50	1.50
- Taxation matters	0	0
<b>Total</b>	<b>1.50</b>	<b>1.50</b>

## 29. Earnings per Share

(Rs in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Earnings</b>		
Profit attributable to equity holders	61.86	(0.48)
<b>Shares</b>		
Number of shares at the beginning of the year	182.67	182.67
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	182.67	182.67
Weighted average number of equity shares outstanding during the year – Basic	182.67	182.67
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year – Diluted	182.67	182.67
Basic Earnings per share of par value Rs.10/-	0.34	(0.00)
Diluted Earnings per share of par value Rs.10/-	0.34	(0.00)

## 30. Related Parties

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

S.No.	Name of the Related Party	Nature of Relationship
1	Soft Point Technologies PVT Ltd	Holding Company
2	Sudha Kiran Reddy Sunkerneni	Managing Director
3	Sri latha Reddy Sunkerneni	Director





4	Sunitha kuchakulla	Director
5	Mohammed Salam	CFO
6	Suchata Dugar	CS
* Entry over which the director is having significant influence		

#### Related Party Transactions

(Rs in Lakhs)

S.No.	Nature of Transaction	FY 2021-22				
		KMP	Relative of KMP	EDS	Subsidiary	Total
1	Sales	-	-			
2	Purchases	-	-			
3	Job Work	-	-			
4	Rent	-	-	-	-	-
5	Outstanding loans	479.98				479.98

S.No.	Nature of Transaction	FY 2020-21				
		KMP	Relative of KMP	EDS	Subsidiary	Total
1	Sales	-	-			
2	Purchases	-	-			
3	Job Work	-	-			
4	Rent	-	-	-	-	-
5	Loans	320.93				320.93

#### Balance with Related Parties

S.No.	Nature of Transaction	FY 2021-22				
		KMP	Relative of KMP	EDS	Subsidiary	Total
1	Trade Receivables	-	-		-	
2	Trade Payables	-	-		-	

S.No.	Nature of Transaction	FY 2020-21				
		KMP	Relative of KMP	EDS	Subsidiary	Total
1	Trade Receivables	-	-			
2	Trade Payables	-	-			





### Transactions with related parties during the year

Name of Related Party	As at 31st March, 2022	As at 31st March, 2021
<b>DIRECTORS REMUNERATION</b>		
Sudhakiran Reddy Sunkerneni	12.00	0

### 31. Earnings/expenditure in foreign currency:

#### Expenditure in Foreign currency:

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Purchases	-	-
Professional Fees	-	-
Other expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### Earnings in Foreign currency:

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Sales and Services	578.47	515.41
<b>Total</b>	<b>578.47</b>	<b>515.41</b>

### 32. Segment Reporting:

The Company concluded that it has only one segment i.e manufacturing of polyethylene fabric used for packaging, shelter, waterproofing and horticultural applications. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

### 33. Income Taxes:

#### a. *Income tax expense/ (benefit) recognized in the statement of profit and loss.*

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

(Rs in Lakhs)

Particulars	For the Year Ended 31st March	
	2022	2021
<i>Current taxes expense</i>		
Domestic (whichever is higher of a or b)	-	-
<i>a. Tax as per Normal Income Tax Provisions</i>	0	-
<i>b. Tax on Deemed Total Income Under MAT(Sec 115JB)</i>	0	-
<i>Deferred taxes expense/ (benefit)</i>	-1.09	-0.06
<b>Total income tax expense/ (benefit) recognized in the statement of profit and loss</b>	<b>-1.09</b>	<b>-0.06</b>





**Reconciliation of Effective tax rate:**

(Rs in Lakhs)

Particulars	For the Year Ended 31 March	
	2022	2021
<b>Profit before income taxes</b>	<b>60.77</b>	<b>2.72</b>
Enacted tax rate in India	25.17%	25.17%
<b>Computed expected tax benefit/(expense)</b>		
<b>Effect of:</b>		
Expenses not deductible for Tax purposes	139.21	280.22
Expenses deductible for Tax purposes	(116.78)	(108.99)
<b>Tax Effect on Previous losses Reported to Tax</b>		-
Tax Payable at Special Rates as per Special provisions under Tax laws	-	-
Brought Forward losses Set off	(83.21)	(173.95)
<b>Income tax benefit/(expense)</b>	<b>-</b>	<b>-</b>
<b>Effective tax rate</b>	<b>-</b>	<b>-</b>

**b. Deferred tax assets & Liabilities:**

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	For the Year Ended 31 March	
	2022	2021
<b>Deferred tax assets/(liabilities):</b>		
Property, plant and equipment	(4.11)	(5.20)
On Account of Accumulated Losses	33.62	33.62
On account of MAT Credit		
<b>Net deferred tax assets/(liabilities)</b>	<b>29.51</b>	<b>28.42</b>

**c. Movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March 2022 & 2021:**

(Rs in Lakhs)

Particulars	As at 1 April 2021	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2022
<b>Deferred tax assets/(liabilities)</b>				
Net deferred tax assets/(liabilities)	28.42	1.09		29.51

[Continued from above table, first column(s) repeated]

(Rs in Lakhs)

Particulars	As at 1 April 2020	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2021
<b>Deferred tax assets/(liabilities)</b>				
Net deferred tax assets/(liabilities)	28.36	0.06	-	28.42





### 34. Investments:

Investments consist of investments in Subsidiary of Sphere Global FZ LLC an unquoted investments are measured at cost. The details of such Investments as of 31<sup>st</sup> March 2022 are as follows:

(Rs in Lakhs)

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair value
<i>Non-current Investments</i>				
Investment in Subsidiary of sphere global FZ LLC	-	-	-	-
<b>Total</b>	-	-	-	-

The details of such investments as of 31<sup>st</sup> March 2021 are as follows:

(Rs in Lakhs)

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair value
<i>Non-current Investments</i>				
Investment in Subsidiary of sphere global FZ LLC	8.0	-	-	8.00
<b>Total</b>	<b>8.0</b>	<b>-</b>	<b>-</b>	<b>8.00</b>

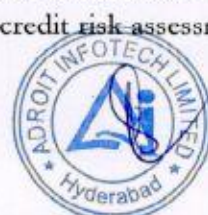
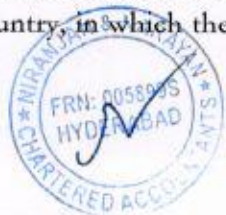
### 35. Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

#### **Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of Customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

**Trade Receivables** The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment.





Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business..

The Company's credit period for customers generally ranges from 60-90 days. The aging of trade receivables that are past due but not impaired is given below:

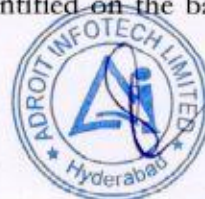
Trade Receivables Ageing						
Particulars	Outstanding for following periods from the due date of payments					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	more than 3 years	
1. undisputed trade receivables considered good	2,94,94,455	-	-	-	-	2,94,94,455
2. undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
3. undisputed trade receivables- Credit impaired	-	-	-	-	-	-
4. Disputed trade receivables - considered good	-	-	-	-	-	-
5. Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
6. Disputed trade receivables- Credit impaired	-	-	-	-	-	-

Trade payables ageing						
Particulars	Outstanding for following periods from the due date of payments					Total
	Less than 6 months	6 mnts-1year	1-2 years	2-3 years	more than 3 years	
1. MSME	-	-	-	-	-	-
2. Others	74,34,562	3,22,160	8,41,191	9,92,218	2,26,132	98,16,263
3. Disputed dues – MSME	-	-	-	-	-	-
4. Disputed dues- Others	-	-	-	-	-	-

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises (MSME). During the years ended March 31, 2022

This information has been determined to the extent such parties have been identified on the basis of information available with the Company





### ***Dues of small enterprises and micro enterprises***

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

Disclosures required under the Micro, Small & Medium Development Act, 2006	As at March 31st 2022	As at March 31st 2021
Delayed payments due as at the end of each accounting year on account of Principal	—	—
Total interest paid on all delayed payments during the year under the provisions of the Act	—	—
Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	—	—
Interest accrued but not due (Represents interest accrued as at the end of the year but not due as interest is computed at monthly rests from the due date)	—	—
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006*	—	—

***Financial assets that are neither past due nor impaired*** - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2022.

### ***Liquidity Risks:***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31 March 2022, the Company had working capital (current assets less current liabilities) of Rs.207.6 lakhs including cash and cash equivalents of Rs. 6.50 Lakhs. As of 31 March 2021, the Company had working capital of Rs.82.60 Lakhs, including cash and cash equivalents of Rs. 2.008 Lakhs.

### ***Market Risks:***

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

### ***Capital Management***

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

***The company's Debt Equity ratio is as follows:***

Particulars	2022	2021
Total Debt	569.48	360.37
Total Equity	692.53	630.67
Debt Equity Ratio	0.82:1	0.57:1





## 1. NOTES TO FINANCIAL STATEMENTS

### DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

#### A. General Information

**Adroit Infotech Limited** (‘the Company’) is a Public Limited Company incorporated in India, registered under Companies Act 1956 having registered office at Plot No. 7A, MLA Colony, Road No. 12, Banjara Hills, Hyderabad TG 500034 IN and its securities listed has primary listings on the BSE Ltd. and National Stock Exchange of India Limited.

Adroit together with its subsidiaries are Specialist SAP Consulting Group, with close to two decades of experience in helping organizations significantly reduce costs and improve effectiveness and efficiency through internal process improvements using SAP products and solutions

#### B. Basis of preparation and presentation of Financial Statements

The financial statements of Adroit Infotech Limited (the Company) have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

##### *Basis of Measurement*

These financial statements have been prepared on the historical cost convention and on an accrual basis.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

#### C. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

##### i) Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

##### ii) Provision and contingencies

Provisions and contingencies are based on the Management’s best estimate of the liabilities based on the facts known at the balance sheet date.





### iii) Fair valuation

Fair value is the market-based measurement of observable market transaction or available market information.

### iv) Employee Benefits

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

## D. Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees.

## E. Current and non-current classification

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of financial statements.

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

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:** A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

## Significant Accounting Policies

### 1) Property Plant & Equipment

#### Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs





that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

**Directly attributable costs include:**

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- b. Cost of Site Preparation.
- c. Initial Delivery & Handling costs.
- d. Professional Fees and
  - a. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

**Depreciation**

Depreciation is recognized in the statement of profit and loss on WDV basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed -off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Servers & Networks	6
Plant & Machinery-General	15
Furniture & Fixtures- Others	10
Office Equipment- Others	5
Vehicles	8
Building (including temporary structure)	3





### Intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

#### **Amortization**

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use. The estimated useful lives are as follows:

Type of Asset	Estimated useful life
<i>Intangible Assets</i>	
Computer Software	3
Intangible Assets	10

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

### Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### **Financial liabilities**

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:





### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Inventories**

Inventories consist of raw materials, work-in-progress and finished goods and are measured at the lower of cost and net realisable value. Stores and spares were valued at cost. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

### **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

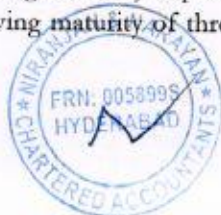
An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any

indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **Cash & Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. Bank overdrafts that





are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances. \

## **Employee Benefits**

### ***Short term employee benefits***

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### ***Termination benefits***

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

### ***Other long-term employee benefits***

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

## **Provisions, contingent liabilities and contingent assets**

### ***Provision***

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### ***Contingent liabilities***

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### ***Contingent assets***

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.





## Revenue Recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Fixed-price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance contract is recognized ratably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Company uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

## Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

## Tax Expenses

Tax expense consists of current and deferred tax.

### Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the





reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognized in the statement of changes in equity as part of the associated dividend payment.

### **Earnings Per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### **Trade receivables**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using effective interest method, less provision for impairment.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period.

### **Determination of fair values**

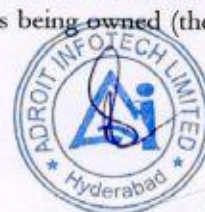
The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

#### ***(I) Property, plant and equipment***

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

#### ***(ii) Intangible assets***

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief





of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

**(iii) Inventories**

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

**(iv) Investments in equity and debt securities and units of mutual funds**

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

**(v) Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

For Niranjana & Narayan  
Chartered Accountants  
(Firm Registration Number: 005899S)

P Venumadhava Rao  
Partner  
Membership Number: 202785



Place: Hyderabad  
Date: 21-May-2022

for and on behalf of Adroit Infotech Limited

S Sudhakiran Reddy  
Managing director  
DIN: 01436242

P V Lakshma Reddy  
Director  
DIN: 01679215

Mohammed Salam  
Chief Finance officer

Suchita Dugar  
Company Secretary  
& Compliance Officer





### INDEPENDENT AUDITORS' REPORT

To the members of ADROIT INFOTECH LIMITED

#### Opinion:-

1. We have audited the accompanying consolidated financial statements of **ADROIT INFOTECH LIMITED** ("the Company") and its subsidiaries (The company and its subsidiaries together referred to as group), which comprise the consolidated Balance Sheet as at 31 March, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the group Company as at 31 March, 2022, and its consolidated profit, consolidated total comprehensive income, consolidated its cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion:-

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these Matters.

### **Other Information:-**

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

### **Management's Responsibility for the Financial Statements:-**

The Holding company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and





prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management and Board of Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the company included in the group are also responsible for overseeing the financial reporting process of the group.

**Auditors' Responsibility for the consolidated Financial Statements:-**

1. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
2. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
3. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
5. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required





to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.

6. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements:-**

7. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure B** a statement on the matters specified in paragraph 3 and 4 of the Order.
8. As required by Section 143 (3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of accounts required by law have been kept by the






Company so far as it appears from our examination of those books.

- c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-A.
- g. With respect to the other matters to be including the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The consolidated financial statements has disclosed the impact, if any, of pending litigations as at 31 March, 2022 on its consolidated financial position in its Ind AS consolidated financial statements.
  - ii. The Company has made provision as at 31 March, 2022, as required under the applicable law or accounting standards.
- h. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the company has not provided/paid the remuneration to its directors during the year hence the provisions of the section 197 of the Act is not applicable.

For Niranjana & Narayan  
Chartered Accountants  
(Firm Registration no: 005899S)

  
P Venumadhava Rao  
Partner, Membership No.: 202785  
UDIN: 22202785ALWCJA3703



Place: Hyderabad  
Date : 21.05.2022



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ADROIT INFOTECH LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that





transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 except for the matter prescribed in basis of qualified opinion para , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Niranjana & Narayan  
Chartered Accountants  
(Firm Registration no: 005899S)





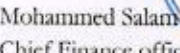
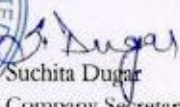


P Venumadhava Rao  
Partner, Membership No.:202785  
UDIN:22202785ALWCJA3703



Place: Hyderabad  
Date :21.05.2022



<b>ADROIT INFOTECH LIMITED</b> <b>Plot No 7A, MLA Colony, Road No: 12, Banjara Hills. Hyderabad -500034</b> <b>Consolidated Balance Sheet as at March 31, 2022</b>			
Particulars	Note No	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	1,23,42,158	27,73,991
(b) Goodwill	2	-	-
(c) Other intangible assets	2	7,69,70,901	8,65,81,551
(e) Financial Assets		-	-
(i) Investments		-	-
(f) Deferred tax Assets (net)	3	29,50,661	28,42,011
(g) Other non-current Assets	4	1,58,07,623	-
<b>Total Non-Current Assets</b>		<b>10,80,71,343</b>	<b>9,21,97,553</b>
<b>Current Assets</b>			
(a) Inventories		-	-
(b) Financial Assets		-	-
(i) Trade Receivables	5	2,94,94,455	4,21,18,007
(ii) Cash & Cash Equivalents	6	29,167	30,988
(iii) Bank Balances other than (ii) above		6,21,462	2,54,000
(iv) Loans	7	2,84,35,000	15,02,892
(v) Others (Int accrued on employee loans & term deposits)		-	-
(c) Current Tax Assets (Net)	8	82,84,016	83,05,622
(d) Other Current Assets	9	1,77,721	2,27,785
<b>Total Current Assets</b>		<b>6,70,41,822</b>	<b>5,24,39,294</b>
<b>TOTAL ASSETS</b>		<b>17,51,13,166</b>	<b>14,46,36,847</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	10	18,26,73,720	18,26,73,720
(b) Other Equity	11	(11,34,20,572)	(12,03,22,806)
<b>Total Equity</b>		<b>6,92,53,148</b>	<b>6,23,50,914</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	89,50,570	39,44,097
(ii) Trade Payables	13	20,59,541	21,54,581
(iii) Other Financial Liabilities	14	4,79,97,588	3,20,92,850
(b) Provisions	15	6,61,702	-
(c) Deferred Tax Liabilities		-	-
(c) Other non-current liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>5,96,69,402</b>	<b>3,81,91,528</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	89,99,334	89,79,541
(ii) Trade payables	17	77,56,722	18,49,769
(iii) Other Financial Liabilities		-	-
(b) Provisions	18	20,24,912	48,46,943
(c) Current Tax Liabilities (net)	19	15,63,319	18,91,116
(d) Other current liabilities	20	2,58,46,327	2,65,27,036
<b>Total Current Liabilities</b>		<b>4,61,90,615</b>	<b>4,40,94,405</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,51,13,166</b>	<b>14,46,36,847</b>
<b>Basis of Preparation &amp; Significant Accounting Policies</b>	1		
<div> <div> For Niranjana &amp; Narayan Chartered Accountants Firm Registration Number : 005899S  P Venumadhava Rao Partner Membership Number : 202785  Place: Hyderabad Date: 21-May-2022 </div> <div>  </div> <div> for and on behalf of Adroit Infotech Limited    S Sudhakiran Reddy Managing Director DIN 01436242    P V Lakshma Reddy Director DIN 01108707    Mohammed Salam Chief Finance officer    Suchita Dugar Company Secretary &amp; Compliance officer </div> </div>			




**ADROIT INFOTECH LIMITED**  
**Plot No 7A, MLA Colony, Road No: 12, Banjara Hills. Hyderabad -500034**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2022**

(In Rupees )

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Income</b>			
i) Revenue From Operations	21	6,37,10,163	6,18,08,853
ii) Other Income	22	11,50,118	89,20,949
<b>Total Income</b>		<b>6,48,60,281</b>	<b>7,07,29,802</b>
<b>Expenses</b>			
i) Cost of Service Licenses		-	-
ii) Employee benefits expense	23	3,21,16,828	3,29,01,343
iii) Depreciation and amortisation expense	24	1,08,49,412	1,09,21,435
iv) Finance Cost	25	17,20,068	18,23,798
v) Other Expenses	26	1,34,27,113	1,05,79,490
<b>Total expenses</b>		<b>5,81,13,422</b>	<b>5,62,26,066</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>67,46,859</b>	<b>1,45,03,736</b>
Exceptional Items		6,69,093	1,42,31,513
<b>Profit Before Tax</b>		<b>60,77,766</b>	<b>2,72,223</b>
Tax Expenses			
-Current Tax		-	3,27,797
-Deferred Tax		(1,08,649)	(6,672)
-MAT Tax (credit)		-	-
<b>Profit/(loss) for the period from continuing operations</b>		<b>61,86,415</b>	<b>(48,902)</b>
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
<b>Profit/(loss) from discontinued operations after tax</b>		<b>-</b>	<b>-</b>
<b>I Profit/(loss) for the Period</b>		<b>61,86,415</b>	<b>(48,902)</b>
<b>II Other Comprehensive Income</b>			
i) <b>Items that will not be reclassified to profit or loss:</b>			
-Impairment of allowances in doubtful debt		-	-
-Remeasurements of the defined benefit plans		-	-
-Equity Instruments through other comprehensive income		-	-
-Income Tax relating to these items		-	-
ii) <b>Items that will be reclassified to profit or loss:</b>			
-Debt Instruments through Other Comprehensive Income		-	-
-The effective portion of gains and loss on hedging instruments in a cash flow hedge		-	-
-Income Tax relating to these items		-	-
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the period</b>		<b>61,86,415</b>	<b>(48,902)</b>
Earnings per equity share :			
(1) Basic		0.34	(0.00)
(2) Diluted		0.34	(0.00)

For Niranjana & Narayan  
Chartered Accountants  
Firm Registration Number : 005899S

  
P Venumadhava Rao  
Partner  
Membership Number : 202785

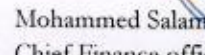


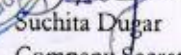
Place: Hyderabad  
Date: 21-May-2022

for and on behalf of Adroit Infotech Limited

  
S Sudhakiran Reddy  
Managing Director  
DIN 01436242

  
P V Lakshma Reddy  
Director  
DIN 01108707

  
Mohammed Salam  
Chief Finance officer

  
Suchita Dugar  
Company Secretary &  
Compliance officer



**ADROIT INFOTECH LIMITED**  
Consolidated Cash Flow Statement For The Year Ended March 31, 2022

(In Rupees)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	60,77,766	2,72,223
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>		
Adjustments for		
Depreciation and amortisation expense	1,08,49,412	1,09,21,435
Interest and other Income	11,50,118	4,67,271
Finance costs(net)	-	-
	<b>1,80,77,296</b>	<b>1,16,60,929</b>
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
Increase/ (Decrease) in Short Term Borrowings	50,26,266	(2,81,234)
Increase/(Decrease) in Trade payables	58,11,913	(18,90,441)
Increase/ (Decrease) in Other Current Liabilities	(6,80,709)	(2,56,95,500)
Increase/ (Decrease) in Current Tax Liabilities	(3,27,797)	3,27,798
Increase/ (Decrease) in Non-Current Liabilities	1,59,04,738	
Increase/ (Decrease) in Long Term Provisions	6,61,702	(9,79,246)
Increase/ (Decrease) in Short Term Provisions	(28,22,031)	4,63,690
Increase/ Decrease in Trade receivables	1,26,23,551	(1,08,39,619)
Increase/ Decrease in Other Non-Current Assets	(1,58,07,623)	1,82,525
Increase/ Decrease in Short Term Loans and advances	(2,69,32,108)	(11,52,705)
Increase/ Decrease in Current Tax Assets	21,605	51,22,927
Increase/ Decrease in Other Current Assets	50,063	39,22,071
<b>Cash generated from operations</b>	<b>1,16,06,867</b>	<b>(1,91,58,805)</b>
Interest Paid	-	-
Direct Taxes	-	(3,27,797)
<b>Net cash inflow from operating activities</b>	<b>1,16,06,867</b>	<b>(1,94,86,602)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,08,06,929)	1,98,99,897
Proceeds/purchase on or Investments	7,15,820	-
Interest Income	(11,50,118)	(4,67,271)
<b>Net cash outflow from investing activities</b>	<b>(1,12,41,227)</b>	<b>1,94,32,626</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
Proceeds from issue of shares	-	-
Interest paid	-	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,65,641</b>	<b>(53,977)</b>
Cash and cash equivalents at the beginning of the financial year	2,84,988	3,38,965
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>6,50,629</b>	<b>2,84,988</b>

For Niranjana & Narayan

Chartered Accountants

Firm Registration Number : 0058995

  
P Venumadhava Rao

Partner

Membership Number : 202785



for and on behalf of Adroit Infotech Limited

  
S Sudhakiran Reddy  
Managing Director  
DIN 01436242



  
P V Lakshma Reddy  
Director  
DIN 01108707

Place: Hyderabad

Date: 21-May-2022



**ADROIT INFOTECH LIMITED**

Notes to accounts for the year ended March 31, 2022

**2 Property, Plant and Equipment**

(In Rupees)

Particulars	Rate of Dep.	Gross carrying value as at April 1, 2021	Additions	Disposal/ad justments	Gross carrying value as at March 31, 2022	Accumulated depreciation as at April 1, 2021	Depreciation for the year	Disposal/ adjustments	Accumulated depreciation as at March 31, 2022	Carrying Value as at March 31, 2022	Carrying Value as at March 31, 2021
Computers	63.16%	1,87,11,839	38,500	34,569	1,87,15,770	1,86,70,383	30,114	-	1,87,00,497	15,273	41,456
Servers & Networks	39.30%	18,20,412	-	-	18,20,412	16,71,421	58,553	-	17,29,974	90,438	1,48,991
Furniture and Fixtures	25.89%	30,73,438	-	-	30,73,438	23,90,857	1,76,720	-	25,67,577	5,05,861	6,82,581
Electrical Equipments	25.89%	4,23,648	-	-	4,23,648	2,03,342	57,037	-	2,60,379	1,63,269	2,20,306
Office Equipments	45.07%	10,55,760	-	-	10,55,760	9,61,713	42,387	-	10,04,100	51,660	94,047
Motor Vehicles	31.23%	50,74,854	1,07,70,498	-	1,58,45,352	35,27,426	8,33,447	-	43,60,874	1,14,84,478	15,47,428
Generator	18.10%	3,50,386	-	-	3,50,386	3,13,225	6,726	-	3,49,951	30,435	37,161
Buildings (Temporary Structures)	63.16%	2,66,679	-	-	2,66,679	2,64,655	1,279	-	2,65,933	746	2,024
<b>Total</b>		<b>3,07,77,016</b>	<b>1,08,08,998</b>	<b>34,569</b>	<b>4,15,51,445</b>	<b>2,80,03,022</b>	<b>12,06,264</b>	<b>-</b>	<b>2,92,09,286</b>	<b>1,23,42,158</b>	<b>27,73,994</b>

**Other Intangible Assets**

Particulars		Gross carrying value as at April 1, 2021	Additions	Disposal/ad justments	Gross carrying value as at March 31, 2022	Accumulated depreciation as at April 1, 2021	Depreciation for the year	Disposal/ adjustments	Accumulated depreciation as at March 31, 2022	Carrying Value as at March 31, 2022	Carrying Value as at March 31, 2021
Computer Software	63.16%	12,96,899	32,500	-	13,29,399	12,80,226	24,828	-	13,05,054	24,344	16,673
Intangible Assets others & Intangible Assets Under Development	10.00%	9,61,83,198	-	-	9,61,83,198	96,18,319.80	96,18,320	-	1,92,36,640	7,69,46,557	8,65,64,878
<b>Total</b>		<b>12,96,899</b>	<b>32,500</b>	<b>-</b>	<b>13,29,399</b>	<b>12,80,226</b>	<b>96,43,148</b>	<b>-</b>	<b>13,05,054</b>	<b>7,69,70,901</b>	<b>8,65,81,551</b>









**ADROIT INFOTECH LIMITED**

Notes to accounts for the year ended March 31, 2022

**3 Deferred tax assets and liabilities**

Movement in Deferred Tax Assets and Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
a) Deferred Tax Liability		
Opening balance	5,20,029	-
Adjustment to Profit loss account	(1,08,649)	5,20,029
Closing balance as on	<b>4,11,380</b>	<b>5,20,029</b>
b) Deferred tax Assets		
Opening balance	33,62,041	-
Adjustment to Profit loss account	-	33,62,040
Closing balance as on	<b>33,62,041</b>	<b>33,62,040</b>
Net Deferred Tax Assets	<b>29,50,661</b>	<b>28,42,011</b>

**Unrecognised Deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items

Particulars	As at March 31, 2022	As at March 31, 2021
Deductible temporary differences	-	-
Tax losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4 Other Non Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Long-term Trade Receivables (including trade receivables on deferred credit terms);	1,58,07,623	-
<b>Total</b>	<b>1,58,07,623</b>	<b>-</b>



**ADROIT INFOTECH LIMITED**

Notes to accounts for the year ended March 31, 2022

**5 Trade Receivables Current**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Trade Receivables from related parties</b>		
Secured, considered Good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Allowances for doubtful debts	-	-
Sub-Total	-	-
<b>(ii) Other Trade Receivables</b>		
Secured, considered Good	-	-
Unsecured, considered good	2,94,94,455	4,21,18,007
Doubtful	-	-
Allowances for doubtful debts	-	-
Sub-Total	2,94,94,455	4,21,18,007
<b>Total</b>	<b>2,94,94,455</b>	<b>4,21,18,007</b>

Trade receivables ageing schedule for the years ended as on March 31, 2022 (Refer Note No. 36)

**6 Cash & Cash Equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	29,167	30,988
Cheques, Drafts on hand		
Balances with Banks		
-in Current Account	6,21,462	2,54,000
<b>Total</b>	<b>6,50,629</b>	<b>2,84,988</b>

**7 Loans**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured (considered good)		
Advance from Suppliers	-	-
*Other Advances	2,84,35,000	-
- Salary Advance	-	3,42,219
- Interest Receivable	-	11,60,673
<b>Total</b>	<b>2,84,35,000</b>	<b>15,02,892</b>

\*This represent advances paid to the software development companies/firm/consultants towards under development representing cost of developing add-ons and generic software for certain ERP verticals capitalised each year under software development





**8 Current Tax Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
TDS deducted/Balance with Tax Authorities	71,71,666	73,23,211
GST Input 21-22	1,29,939	-
MAT Credit Entitlement Acct	9,82,411	9,82,411
<b>Total</b>	<b>82,84,016</b>	<b>83,05,622</b>

**9 Other Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Workin Progress (Revenue a/c)*	-	-
Prepaid Expenses	1,77,721	2,27,785
Miscellaneous Expenses W. Off	-	-
Unbilled revenue	-	-
<b>Total</b>	<b>1,77,721</b>	<b>2,27,785</b>

**10 Equity Shares**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorized</b>		
Ordinary shares of par value of Rs. 10/- each		
Number	3,93,15,000	3,93,15,000
<b>Amount</b>	<b>39,31,50,000</b>	<b>39,31,50,000</b>
<b>Issued, subscribed and fully paid</b>		
Ordinary shares of par value of Rs.10/- each		
Number	1,82,67,372	1,82,67,372
Amount	18,26,73,720	18,26,73,720
<b>Amount</b>	<b>18,26,73,720</b>	<b>18,26,73,720</b>

**A Reconciliation of number of shares:**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Equity Shares	1,82,67,372	1,82,67,372
Add: -No. of Shares, Share Capital issued/ subscribed during the	-	-
Less: Deduction	-	-
<b>Closing balance</b>	<b>1,82,67,372</b>	<b>1,82,67,372</b>

**B Numbers of Shares in the company held by shareholder holding more than 5 percent**

Name of the Shareholder	As at March 31, 2022	As at March 31, 2021
SoftPoint Technologies Private Limited	84,80,795	84,80,795
- Percentage of Holdings	46.43%	46.43%
Jokeman Media Entertainment Pvt Ltd	-	-
- Percentage of Holdings	0.00%	0.00%
S Sudhakiran Reddy	10,49,469	10,49,469
- Percentage of Holdings	5.75%	5.75%

The Company has one class of share capital, comprising ordinary shares of Rs. 10/- each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.



**11 Other Equity**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Securities Premium</b>		
Balance as per last balance sheet	2,40,00,000	2,40,00,000
Add Premium on issue of shares Rs 40 on 6 lakhs shares	-	-
Closing balance	<b>2,40,00,000</b>	<b>2,40,00,000</b>
<b>Share Application Money</b>	-	-
<b>Share warrents forfeiture</b>		
Balance as per last balance sheet	50,00,000	50,00,000
Add forfeited during the year	-	-
Closing balance	<b>50,00,000</b>	<b>50,00,000</b>
<b>Surplus in Profit and Loss account</b>		
Opening balance	(14,93,22,806)	(14,92,73,904)
Add: Current Year Transfer		
Profit and loss account	61,86,415	(48,902)
less profit or loss on sale	7,15,819	-
Less Dividend of 2021-22	-	-
Less Dividend Distribution Tax of 2021-22	-	-
Closing balance	<b>(14,24,20,572)</b>	<b>(14,93,22,806)</b>
<b>Total Other Equity</b>	<b>(11,34,20,572)</b>	<b>(12,03,22,806)</b>

**NON-CURRENT LIABILITIES****12 Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i)Term Loans</b>		
(a) From others		
-Secured*	89,50,570	39,44,097
-Unsecured	-	-
<b>Total</b>	<b>89,50,570</b>	<b>39,44,097</b>

\* Represents Vehicles loan, Hypothecation of Vehicles. TATA Motar Limited is payable 10 balance instalments at the rate of interest @8.5% p.a and Anotehr loan from HDFC Bank Limited is payable on 59 balance instalments at the rate of interest @7.1% p.a. AND Guarantee Emergency Credit Line (GECL) provided by HDFC Bank at the rate of interest @ 9.25% p.a balance 28 Instalment payable

**13 Non Current Trade Payables**

Particulars	As at March 31, 2022	As at March 31, 2021
Other than MSMEs		
-Trade Payables	20,59,541	21,54,581
-Other Trade Payables	-	-
MSMEs		
-Trade Payables	-	-
<b>Total</b>	<b>20,59,541</b>	<b>21,54,581</b>

Trade payables ageing schedule for the years ended as on March 31, 2022 (Refer Note No. 36)

**14 Non-Current-Other Financial Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
(a)From Others- Related parties*	4,79,97,588	3,20,92,850
<b>Total</b>	<b>4,79,97,588</b>	<b>3,20,92,850</b>

\*Unsecured loans from Related parties (Director/s) are interest free and payable on demand





**15 Non Current Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity Payable	6,61,702	-
Others Provision		
<b>Total</b>	<b>6,61,702</b>	<b>-</b>

**CURRENT LIABILITIES****16 Borrowings Current**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i)Term Loans</b>		
<b>(ii) Cash Credits</b>		
(a) From Banks		
-Secured	89,99,334	89,79,541
-Unsecured		-
<b>(ii) Loans Unsecured</b>		
(a)From Others- Related parties**	-	-
(b) From others	-	-
<b>(iii) Deposits</b>		
Securtiy Deposit	-	-
<b>Total</b>	<b>89,99,334</b>	<b>89,79,541</b>

\*Cash Credit the cash credit is secured by way of hypothecation of all chargeable current assets of the company including receivables both present and future and first charge on moveable fixed assets of the company both present and future as collateral security, Interest charged at 12.5% p.a

**17 Current Trade Payable**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>CURRENT</b>		
Other than MSMEs		
-Trade Payables	77,56,722	18,49,769
-Other Trade Payables (Consultants)		-
<b>MSMEs</b>		
-Nil	-	-
<b>Total</b>	<b>77,56,722</b>	<b>18,49,769</b>

Trade payables ageing schedule for the years ended as on March 31, 2022 (Refer Note No. 35)

**18 Curent Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Exmployee benefit	20,24,912	40,81,895
Other Provisions		7,65,048
<b>Total</b>	<b>20,24,912</b>	<b>48,46,943</b>





**19 Current Tax Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	15,63,319	15,63,319
Current Tax payable		3,27,797
Adjustments	-	-
<b>Closing balance as at 31st March</b>	<b>15,63,319</b>	<b>18,91,116</b>

**20 Other Liabilities Current**

Particulars	As at March 31, 2022	As at March 31, 2021
-Statutory dues Payable	2,52,84,571	2,56,92,055
-Expensers Payable	5,61,757	8,34,981
-Other payables		-
<b>Total</b>	<b>2,58,46,327</b>	<b>2,65,27,036</b>



**ADROIT INFOTECH LIMITED**

Notes to accounts for the year ended March 31, 2022

**21 Revenue From Operations**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from sale of Services	6,37,10,163	6,18,08,853
<b>Total</b>	<b>6,37,10,163</b>	<b>6,18,08,853</b>

Note: Revenue includes both domestic and overseas net of taxes if any.

**22 Other Income**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	3,89,196	4,67,271
Other Income	3,40,159	84,53,678
Prior Period Exp/Income	4,20,762	-
<b>Total</b>	<b>11,50,118</b>	<b>89,20,949</b>

**23 Employees' Benefit Expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	1,67,12,155	3,19,71,024
Directors Remuneration	12,00,000	-
Staff welfare Expenses	48,290	2,45,905
Employee Benefits & Provident Fund Expenses	5,37,383	6,84,414
Sub Contract Cost Expenses	1,36,19,000	-
<b>Total</b>	<b>3,21,16,828</b>	<b>3,29,01,343</b>

**24 Depreciation And Amortization Expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation / Amortisation for the year		
Depreciation on PPE	1,08,49,412	1,09,21,435
<b>Total</b>	<b>1,08,49,412</b>	<b>1,09,21,435</b>

**25 Finance Cost**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on cash credit and Term loan Expenses	13,59,698	13,61,861
Bank Charges	3,60,370	4,61,937
<b>Total</b>	<b>17,20,068</b>	<b>18,23,798</b>





## 26 Other Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement Expenditure	88,160	50,840
Annual Listing Fee, Custody Fee & Demat Charges	12,41,892	8,35,385
Audit Fee	1,50,000	1,50,000
Books and Periodicals	10,820	16,432
Business Promotion Expenses	2,65,000	-
Electricity charges	4,96,616	6,93,353
E voting charges	10,817	9,851
Fuel and Diesel	45,634	44,336
Insurance Expenses	2,93,316	3,32,215
Late payments	20,070	-
Interest on Late payments	1,23,985	1,44,752
Internet Expenses / Telephone Expenses	71,250	3,26,612
Legal, License & Renewal fee	3,30,215	-
Loss on Sale of Asset	6,34,569	-
Miscellaneous Expenses	1,47,348	7,000
Office Maintenance	35,842	3,12,925
Office Rent	4,65,000	6,70,540
Placement and Training Charges	54,167	75,833
Postage & Courier Expense	20,815	35,205
Printing and Stationery	12,160	12,850
Professional Consultancy Fee	49,97,679	43,47,757
Rates and Taxes	27,895	28,020
Repairs and Maintenance	3,19,266	3,77,635
ROC Compliance and Filing Fee	12,080	31,820
Foreign Exchange Fluctuations	13,00,591	11,31,512
Travelling and Conveyance Expenses	28,044	1,51,181
Other Admin Expenses	22,23,883	7,93,436
<b>Total</b>	<b>1,34,27,113</b>	<b>1,05,79,490</b>

### (i) Amount paid to auditors'

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory Audit Fee	1,00,000	1,00,000
For Taxation Matters/Tax Audit	20,000	20,000
For Other Services	30,000	30,000
For Reimbursement of Expenses	-	-
<b>Total</b>	<b>1,50,000</b>	<b>1,50,000</b>

### (ii) Extra Ordinary Items

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sundry Receivables Written Off	6,69,093	1,42,31,513
<b>Total</b>	<b>6,69,093</b>	<b>1,42,31,513</b>





## 27. Auditors Remuneration

(Rs in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Auditors Remuneration		
-Statutory audit fees	1.50	1.50
-Taxation matters	0	0
<b>Total</b>	<b>1.50</b>	<b>1.50</b>

## 28. Earnings per Share

(Rs in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Earnings</b>		
Profit attributable to equity holders	61.86	(0.48)
<b>Shares</b>		
Number of shares at the beginning of the year	182.67	182.67
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	182.67	182.67
Weighted average number of equity shares outstanding during the year – Basic	182.67	182.67
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year – Diluted	182.67	182.67
Basic Earnings per share of par value Rs.10/-	0.34	(0.00)
Diluted Earnings per share of par value Rs.10/-	0.34	(0.00)

## 29. Related Parties

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

S.No.	Name of the Related Party	Nature of Relationship
1	Soft Point Technologies PVT Ltd	Holding Company
2	Sudha Kiran Reddy Sunkerneni	Managing Director
3	Sri latha Reddy Sunkerneni	Director
4	Sumitha kuchakulla	Director





5	Mohammed Salam	CFO
6	Suchita Dugar	CS
* Entity over which the director is having significant influence		

#### Related Party Transactions

(Rs in Lakhs)

S.No.	Nature of Transaction	FY 2021-22				
		KMP	Relative of KMP	EDS	Subsidiary	Total
1	Sales	-	-			
2	Purchases	-	-			
3	Job Work	-	-			
4	Rent	-	-	-	-	-
5	Outstanding loans	479.98				479.98

S.No.	Nature of Transaction	FY 2020-21				
		KMP	Relative of KMP	EDS	Subsidiary	Total
1	Sales	-	-			
2	Purchases	-	-			
3	Job Work	-	-			
4	Rent	-	-	-	-	-
5	Loans	320.93				320.93

#### Balance with Related Parties

S.No.	Nature of Transaction	FY 2021-22				
		KMP	Relative of KMP	EDS	Subsidiary	Total
1	Trade Receivables	-	-		-	
2	Trade Payables	-	-		-	

S.No.	Nature of Transaction	FY 2020-21				
		KMP	Relative of KMP	EDS	Subsidiary	Total
1	Trade Receivables	-	-			
2	Trade Payables	-	-			



**Transactions with related parties during the year**

Name of Related Party	As at 31st March, 2022	As at 31 <sup>st</sup> March, 2021
<b>DIRECTORS REMUNERATION</b>		
Sudhakiran Reddy Sunkerneni	12.00	0

**30. Earnings/expenditure in foreign currency:****Expenditure in Foreign currency:**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Purchases	-	-
Professional Fees	-	-
Other expenses	-	-
<b>Total</b>	-	-

**Earnings in Foreign currency:**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Sales and Services	578.47	515.41
<b>Total</b>	<b>578.47</b>	<b>515.41</b>

**31. Investments:**

Investments are measured at cost on the date of balance sheet. The group company is having investment in Sphere Global Services, FZ LLC of amount 8 Lakhs which is measured in the previous audited financial date. The investments of Sphere global services FZ LLC had been disposed on the 22 February, 2022 for the amount of 2 lakhs with a loss on sale of investment for the amount of 6 Lakhs.

**32. Segment Reporting:**

The Company concluded that it has only one segment i.e manufacturing of polyethylene fabric used for packaging, shelter, waterproofing and horticultural applications. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

**33. Income Taxes:****a. Income tax expense/ (benefit) recognized in the statement of profit and loss.**

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:





(Rs in Lakhs)

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2022	2021
<i>Current taxes expense</i>		
Domestic (whichever is higher of a or b)	-	-
<b>a. Tax as per Normal Income Tax Provisions</b>	0	-
<b>b. Tax on Deemed Total Income Under MAT(Sec 115JB)</b>	0	-
<i>Deferred taxes expense/ (benefit)</i>	-1.09	-0.06
<b>Total income tax expense/ (benefit) recognized in the statement of profit and loss</b>	<b>-1.09</b>	<b>-0.06</b>

*Reconciliation of Effective tax rate:*

(Rs in Lakhs)

Particulars	For the Year Ended 31 March	
	2022	2021
<b>Profit before income taxes</b>	<b>60.77</b>	<b>2.72</b>
Enacted tax rate in India	25.17%	25.17%
<b>Computed expected tax benefit/ (expense)</b>		
<b>Effect of:</b>		
Expenses not deductible for Tax purposes	139.21	280.22
Expenses deductible for Tax purposes	(116.78)	(108.99)
<b>Tax Effect on Previous losses Reported to Tax</b>		-
Tax Payable at Special Rates as per Special provisions under Tax laws	-	-
Brought Forward losses Set off	(83.21)	(173.95)
<b>Income tax benefit/ (expense)</b>	<b>-</b>	<b>-</b>
<b>Effective tax rate</b>	<b>-</b>	<b>-</b>

**b. Deferred tax assets & Liabilities:**

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	For the Year Ended 31 March	
	2022	2021
<b><u>Deferred tax assets/ (liabilities):</u></b>		
Property, plant and equipment	(4.11)	(5.20)
On Account of Accumulated Losses	33.62	33.62
On account of MAT Credit		
<b>Net deferred tax assets/ (liabilities)</b>	<b>29.51</b>	<b>28.42</b>





c. Movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March 2022& 2021:

(Rs in Lakhs)

Particulars	As at 1 April 2021	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2022
<b>Deferred tax assets/(liabilities)</b>				
Net deferred tax assets/(liabilities)	28.42	1.09		29.51

[Continued from above table, first column(s) repeated]

(Rs in Lakhs)

Particulars	As at 1 April 2020	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2021
<b>Deferred tax assets/(liabilities)</b>				
Net deferred tax assets/(liabilities)	28.36	0.06	-	28.42

34. Investments:

Investments consist of investments in Subsidiary of Sphere Global FZ LLC an unquoted investments are measured at cost. The details of such Investments as of 31<sup>st</sup> March 2022 are as follows:

(Rs in Lakhs)

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair value
<b>Non-current Investments</b>				
Investment in Subsidiary of sphere global FZ LLC	-	-	-	-
<b>Total</b>	-	-	-	-

The details of such investments as of 31<sup>st</sup> March 2021 are as follows:

(Rs in Lakhs)

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair value
<b>Non-current Investments</b>				
Investment in Subsidiary of sphere global FZ LLC	8.0	-	-	8.00
<b>Total</b>	8.0	-	-	8.00





35. **Financial Risk Management:**

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

**Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of Customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

**Trade Receivables**-The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business..

The Company's credit period for customers generally ranges from 60-90 days. The aging of trade receivables that are past due but not impaired is given below:

Trade Receivables Ageing						
Particulars	Outstanding for following periods from the due date of payments					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	more than 3 years	Total
1. undisputed trade receivables considered good	2,94,94,455	-	-	-	-	2,94,94,455
2. undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
3. undisputed trade receivables- Credit impaired	-	-	-	-	-	-
4. Disputed trade receivables -considered good	-	-	-	-	-	-
5. Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
6. Disputed trade receivables- Credit impaired	-	-	-	-	-	-





Trade payables ageing						
Particulars	Outstanding for following periods from the due date of payments					Total
	Less than 6 months	6 mnts-1year	1-2 years	2-3 years	more than 3 years	
1. MSME	-	- -	-	-	-	-
2. Others	74,34,562	3,22,160	8,41,191	9,92,218	2,26,132	98,16,263
3. Disputed dues – MSME	-	-	-	-	-	-
4. Disputed dues- Others	-	-	-	-	-	-

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises (MSME). During the years ended March 31, 2022

This information has been determined to the extent such parties have been identified on the basis of information available with the Company

#### ***Dues of small enterprises and micro enterprises***

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

Disclosures required under the Micro, Small & Medium Development Act, 2006	As at March 31st 2022	As at March 31st 2021
Delayed payments due as at the end of each accounting year on account of Principal	-	-
Total interest paid on all delayed payments during the year under the provisions of the Act	-	-
Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	-	-
Interest accrued but not due (Represents interest accrued as at the end of the year but not due as interest is computed at monthly rests from the due date)	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

***Financial assets that are neither past due nor impaired*** - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2022.





**Liquidity Risks:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31 March 2022, the Company had working capital (current assets less current liabilities) of Rs. 207.6 lakhs including cash and cash equivalents of Rs. 6.50 Lakhs. As of 31 March 2021, the Company had working capital of Rs. 82.60 Lakhs, including cash and cash equivalents of Rs. 2.008 Lakhs.

**Market Risks:**

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

**Capital Management**

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

**The company's Debt Equity ratio is as follows:**

Particulars	2022	2021
Total Debt	569.48	360.37
Total Equity	692.53	630.67
Debt Equity Ratio	0.82:1	0.57:1





## 1. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

#### A. General Information

**Adroit Infotech Limited** ('the Company') is a Public Limited Company incorporated in India, registered under Companies Act 1956 having registered office at Plot No. 7A, MLA Colony, Road No. 12, Banjara Hills, Hyderabad TG 500034 IN and its securities listed has primary listings on the BSE Ltd. and National Stock Exchange of India Limited.

Adroit together with its subsidiaries are Specialist SAP Consulting Group, with close to two decades of experience in helping organizations significantly reduce costs and improve effectiveness and efficiency through internal process improvements using SAP products and solutions

#### B. Basis of preparation and presentation of Financial Statements

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SA) Specified under section 143(10) of the act. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of report. We independent of the company in accordance with the code of ethics issued by the institution of chartered accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the act, and the Rules there under, and we have fulfilled our other ethical requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of opinion on the consolidated financial statements.

##### *Basis of Measurement*

These consolidated financial statements have been prepared on the historical cost convention and on an accrual basis and consolidation has been prepared till 22 Feb 2022 as the investments are sold on the date. The actual value of investment in Sphere Global Services FZ LLC is 8lakhs and the investment had disposed on 22 Feb 2022 for the amount of 2 Lakhs and the loss on sale of investment is 6 Lakhs.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

#### C. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or judgments are:





**i) Depreciation and amortization**

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

**ii) Provision and contingencies**

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

**iii) Fair valuation**

Fair value is the market-based measurement of observable market transaction or available market information.

**iv) Employee Benefits**

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

**D. Functional and presentation currency**

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees.

**E. Current and non-current classification**

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of financial statements.

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

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:** A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.





Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

### **Significant Accounting Policies**

#### **1) Property Plant & Equipment Recognition and measurement**

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

#### **Directly attributable costs include:**

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- b. Cost of Site Preparation.
- c. Initial Delivery & Handling costs.
- d. Professional Fees and
  - a. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

#### ***Depreciation***

Depreciation is recognized in the statement of profit and loss on WDV basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 ("Schedule"), which





prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Servers & Networks	6
Plant & Machinery-General	15
Furniture & Fixtures-Others	10
Office Equipment-Others	5
Vehicles	8
Building (including temporary structure)	3

#### **Intangible assets**

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

#### ***Amortization***

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use. The estimated useful lives are as follows:

Type of Asset	Estimated useful life
<i>Intangible Assets</i>	
Computer Software	3
Intangible Assets	10

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

#### **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### ***Financial assets***

#### ***Initial recognition and measurement***

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.





## ***Financial liabilities***

### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

### ***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

#### ***Loans and borrowings***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## **Inventories**

Inventories consist of raw materials, work-in-progress and finished goods and are measured at the lower of cost and net realisable value. Stores and spares were valued at cost. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows





from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any

Indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **Cash & Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances. \

### **Employee Benefits**

#### ***Short term employee benefits***

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### ***Termination benefits***

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

#### ***Other long-term employee benefits***

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.





## Provisions, contingent liabilities and contingent assets

### *Provision*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### *Contingent liabilities*

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### *Contingent assets*

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## Revenue Recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Fixed-price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance contract is recognized ratably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Company uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.





Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

### **Borrowing Costs**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

### **Tax Expenses**

Tax expense consists of current and deferred tax.

#### ***Income Tax***

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### ***Deferred Tax***

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognized in the statement of changes in equity as part of the associated dividend payment.

### **Earnings Per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.





**Trade receivables**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using effective interest method, less provision for impairment.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period.

**Determination of fair values**

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

***(i) Property, plant and equipment***

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

***(ii) Intangible assets***

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

***(iii) Inventories***

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

***(iv) Investments in equity and debt securities and units of mutual funds***

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.





Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

**(v) Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

**Investments:**

Investments are measured at cost on the date of balance sheet. The group company is having investment in Sphere Global Services, FZ LLC of amount 8 Lakhs which is measured in the previous audited financial date. The investments of Sphere global services FZ LLC had been disposed on the 22 February, 2022 for the amount of 2 lakhs with a loss on sale of investment for the amount of 6 Lakhs.

For Niranjana & Narayan  
Chartered Accountants  
(Firm Registration Number: 005899S)

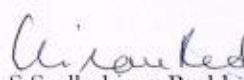


P Venumadhava Rao  
Partner  
Membership Number: 202785




Place: Hyderabad  
Date: 21-May-2022

for and on behalf of Adroit Infotech Limited

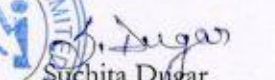


S Sudhakiran Reddy  
Managing director  
DIN: 01436242



P V Lakshma Reddy  
Director  
DIN: 01679215

Mohammed Salam  
Chief Finance officer



Suchita Dugar  
Company Secretary  
& Compliance Officer



**Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To the Board of Directors of Adriot Infotech Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Adriot Infotech Limited ('the Company') for the quarter ended 31 December 2022 and the year to date results for the period 1 April 2022 to 31 December 2022, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations') including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement includes the interim financial information of one branch, which has not been reviewed, and whose interim financial information reflects total revenues of ₹ 48.90 lakhs and ₹ 134.68 lakhs and Total Comprehensive Income of ₹Nil and ₹ Nil, for the quarter and year to date ended 31 December 2022 respectively, as considered in the Statement. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on such unreviewed financial information. According to the information and explanations given to us by the management.





Our conclusion is not modified in respect of this matter with respect to our reliance on the aforesaid information certified by the Board of Directors.

**For RAO AND SHYAM**

Chartered Accountants

Firm Registration No: 006186S

**Kandarp Kumar Dudhuria**

Partner

Membership No. 228416

UDIN: 23228416BGXSYM1523

**Place: Hyderabad**

**Date: 24 January 2023**



**ADROIT INFOTECH LIMITED**

Registered office: Plot No. 7A, Road No. 12, MLA Colony, Banjara Hills, Hyderabad - 500 034

CIN: L72300TG1990PLC011129, (Scrip Code: BSE-532172, NSE- ADROITINFO)

Tel: +91-40-23552284/85/86, Fax: +91-40-233552283, www.adroitinfotech.com, e-mail : cs@adroitinfotech.com

**Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months Ended 31st December 2022**

All amounts in Indian Rupees Lakhs, except share data

Sl.No.	Particulars	Standalone					
		Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	(Refer Notes below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	Audited
1	Income from operations	133.00	137.23	125.74	384.25	546.53	637.10
2	Other income	1.09	3.16	3.89	4.95	3.89	11.50
3	<b>Total Income (1+2)</b>	<b>134.09</b>	<b>140.39</b>	<b>129.63</b>	<b>389.20</b>	<b>550.43</b>	<b>648.60</b>
4	<b>EXPENSES</b>						
a	Employee benefits expense	24.62	24.34	44.46	87.27	205.08	321.17
b	Finance costs	3.98	4.19	2.98	12.36	10.13	17.20
c	Depreciation and amortization expense	29.21	29.29	19.07	87.36	71.53	108.49
d	Other expenses	38.87	31.24	24.55	89.23	89.14	134.27
	<b>Total expenses (4)</b>	<b>96.68</b>	<b>89.05</b>	<b>91.06</b>	<b>276.21</b>	<b>375.88</b>	<b>581.13</b>
5	<b>Profit/(loss) before exceptional items and tax (3-4)</b>	<b>37.41</b>	<b>51.34</b>	<b>38.57</b>	<b>113.00</b>	<b>174.55</b>	<b>67.47</b>
6	Exceptional items	-	-	-	-	-	6.69
7	<b>Profit/ (loss) before exceptions items and tax(5-6)</b>	<b>37.41</b>	<b>51.34</b>	<b>38.57</b>	<b>113.00</b>	<b>174.55</b>	<b>60.78</b>
8	Tax expense						
	(1) Current tax	-	-	-	-	35.36	-
	(2) Deferred tax	(1.01)	(1.95)	-	(2.96)	-	(1.09)
9	<b>Profit/(loss) for the period for the period/year (7+8)</b>	<b>38.42</b>	<b>53.29</b>	<b>38.57</b>	<b>115.96</b>	<b>139.19</b>	<b>61.87</b>
10	<b>Other comprehensive income (net of tax)</b>						
	Items will be not reclassified subsequently to Profit or Loss						
	Actuarial loss/(gain) on defined benefit obligation	-	-	-	-	-	-
	Items will be reclassified subsequently to Profit or Loss						
	Exchanges differences on translation of foreign operations	-	-	-	-	-	-
11	<b>Total Comprehensive Income for the period (9+10)</b>	<b>38.42</b>	<b>53.29</b>	<b>38.57</b>	<b>115.96</b>	<b>139.19</b>	<b>61.87</b>
12	<b>Paid-up equity share capital (Face Value of Rs.10/-each)</b>	<b>1,928.91</b>	<b>1,826.74</b>	<b>1,826.74</b>	<b>1,928.91</b>	<b>1,826.74</b>	<b>1,826.74</b>
13	<b>Earnings per share (before extraordinary items)</b>						
	(Face value of Rs.10/-each) (not annualized)						
	a) Basic (in Rs.)	0.20	0.29	0.21	0.60	0.76	0.34
	b) Diluted (in Rs.)	0.20	0.29	0.21	0.60	0.76	0.34

**Notes:**

- The Unaudited Standalone Results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules thereunder, other accounting principles generally accepted in India and regulations issued by the Securities and Exchange Board of India ("SEBI").
- The above unaudited financial results for the Quarter and Nine Months ended 31st December 2022 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on **24th January 2023**. The statutory auditors have carried out review of these Financial Results and have issued an unmodified report on these results.
- Segment Reporting - Sole business segment**  
Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments, the Company is primarily engaged in the business of SAP Support Services which the management recognizes as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly, not provided
- The figures for the previous period/year have been regrouped/reclassified, wherever necessary.
- The Company has allotted 20,00,000/- (Twenty Lakhs) Equity Shares at Preferential allotment dated 16th November 2022. The said shares are pending for approval from stock exchanges (BSE/NSE) for trading approval purpose. For the purpose of Company's Earning per share the said shares are considered on prorata basis.
- The Code on Social Security, 2020 ("the Code") has been enacted, which may impact the employee related contributions made by the Group. The Effective date from which the change are applicabel is yet to be notified. The Ministry of Labour and Employment ("the Ministry") has released draft rules for the Code on November 13, 2020. The Group will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code become effective and the related rules are published

Date : 24-Jan-2023

Place: Hyderabad

For Adroit Infotech Limited

Sudhakaran Reddy

Managing Director

DIN: 01436242







**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To the Board of Directors of Adriot Infotech Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Adriot Infotech Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer paragraph 6 for the list of subsidiaries and a branch, included in the Statement) for the quarter ended 31 December 2022 and the consolidated year to date results for the period 1 April 2022 to 31 December 2022, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.





5. The Statement includes the interim financial information of one subsidiaries and the unaudited interim standalone financial information of the entities included in the Group include the interim financial information of one branch, which have not been reviewed by their auditors, whose interim financial information total revenues of ₹ 430.43 lakhs and ₹ 1,406.49 lakhs, net profit after tax of ₹ 70.90 lakhs and ₹ 448.26 lakhs, total comprehensive income of ₹ 70.90 lakhs and ₹ 448.26 lakhs for the quarter and period ended 31 December 2022 respectively which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and branch, are based solely on such unreviewed interim financial information.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors

6. The statement includes the results of the following subsidiaries and a branch:  
Verso Altima India Private Limited  
Adroit Infotech DMCC (Subsidiary Outside India)  
Adroit Infotech – Branch Outside India

**For RAO AND SHYAM**

Chartered Accountants

Firm Registration No: 006186S

**Kandarp Kumar Dudhoria**

Partner

Membership No. 228416

UDIN 23228416BGXSYN9658

**Place: Hyderabad**

**Date: 24 January 2023**





**ADROIT INFOTECH LIMITED**

Registered office: Plot No. 7A, Road No. 12, MLA Colony, Banjara Hills, Hyderabad - 500 034

CIN: L72300TG1990PLC011129, (Scrip Code: BSE-532172, NSE- ADROITINFO)

Tel: +91-40-23552284/85/86, Fax: +91-40-233552283, www.adroitinfotech.com, e-mail : cs@adroitinfotech.com

**Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31st December 2022**

Sl.No.	Particulars	Consolidated					
		Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	(Refer Notes below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	Audited
1	Income from operations	563.42	646.21	125.74	1,790.75	546.53	637.10
2	Other income	6.61	8.08	3.89	19.03	3.89	11.50
3	<b>Total Income (1+2)</b>	<b>570.03</b>	<b>654.29</b>	<b>129.63</b>	<b>1,809.78</b>	<b>550.43</b>	<b>648.60</b>
4	<b>EXPENSES</b>						
a	Employee benefits expense	301.35	243.06	44.46	794.87	205.08	321.17
b	Finance costs	4.13	4.33	2.98	12.74	10.13	17.20
c	Depreciation and amortization expense	31.41	31.38	19.07	91.65	71.53	108.49
d	Other expenses	84.61	111.40	24.55	281.67	89.14	134.27
	<b>Total expenses (4)</b>	<b>421.50</b>	<b>390.16</b>	<b>91.06</b>	<b>1,180.92</b>	<b>375.88</b>	<b>581.13</b>
5	<b>Profit/(loss) before exceptional items and tax (3-4)</b>	<b>148.53</b>	<b>264.12</b>	<b>38.57</b>	<b>628.86</b>	<b>174.55</b>	<b>67.47</b>
6	Exceptional items	-	-	-	-	-	6.69
7	<b>Profit/ (loss) before exceptions items and tax(5-6)</b>	<b>148.53</b>	<b>264.12</b>	<b>38.57</b>	<b>628.86</b>	<b>174.55</b>	<b>60.78</b>
8	Tax expense						
	(1) Current tax	40.23	27.36	-	67.59	35.36	-
	(2) Deferred tax	(1.01)	(1.95)	-	(2.96)	-	(1.09)
9	<b>Profit/(loss) for the period/year (7+8)</b>	<b>109.31</b>	<b>238.71</b>	<b>38.57</b>	<b>564.22</b>	<b>139.19</b>	<b>61.87</b>
10	<b>Other comprehensive income period/year (net of tax)</b>						
	Items will be not reclassified subsequently to Profit or Loss	-	-	-	-	-	-
	Actuarial loss/(gain) on defined benefit obligation	-	-	-	-	-	-
	Items will be reclassified subsequently to Profit or Loss	-	-	-	-	-	-
	Exchanges differences on translation of foreign operations	-	-	-	-	-	-
11	<b>Total Comprehensive Income for the period (9+10)</b>	<b>109.31</b>	<b>238.71</b>	<b>38.57</b>	<b>564.22</b>	<b>139.19</b>	<b>61.87</b>
12	<b>Paid-up equity share capital (Face Value of Rs.10/-each)</b>	<b>1,928.91</b>	<b>1,826.74</b>	<b>1,826.74</b>	<b>1,928.91</b>	<b>1,826.74</b>	<b>1,826.74</b>
	Earnings per share (before extraordinary items)				-	-	-
13	(Face value of Rs.10/-each) (not annualized)						
	a) Basic (in Rs.)	0.57	1.31	0.21	2.93	0.76	0.34
	b) Diluted (in Rs.)	0.57	1.31	0.21	2.93	0.76	0.34

**Notes:**

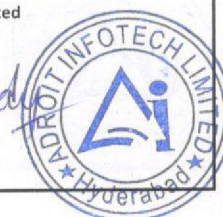
- The Un-Audited Consolidated Financial Results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules thereunder, other accounting principles generally accepted in India and regulations issued by the Securities and Exchange Board of India ("SEBI").
- The above unaudited financial results for the Quarter and Nine Months ended 31st December 2022 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on **24th January 2023**. The statutory auditors have carried out review of these Financial Results and have issued an unmodified report on these results.
- The Group has opted to publish the Unaudited Consolidated Financial Results for the Quarter and Nine Months ended 31st December 2022, Investor can view the Unaudited Standalone Financial Results on the Company's website "www.adroitinfotech.com".
- Segment Reporting - Sole business segment**  
Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments, the Company is primarily engaged in the business of SAP Support Services which the management recognizes as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly, not provided
- The figures for the previous period/year have been regrouped/reclassified, wherever necessary.
- The Holding Company has allotted 20,00,000/- (Twenty Lakhs) Equity Shares at Preferential allotment dated 16th November 2022. The said shares are pending for approval from stock exchanges (BSE/NSE) for trading approval purpose. For the purpose of Company's Earning per share the said shares are considered on prorata basis.
- The Code on Social Security, 2020 ("the Code") has been enacted, which may impact the employee related contributions made by the Group, The Effective date from which the change are applicabel is yet to be notified. The Ministry of Labour and Employment ("the Ministry") has released draft rules for the Code on November 13, 2020. The Group will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code become effective and the related rules are published

For Adroit Infotech Limited

Date : **24-Jan-2023**

Place: **Hyderabad**

*Sudhakaran Reddy*  
Sudhakaran Reddy  
Managing Director  
DIN: 01436242





## STATEMENT OF ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

### Accounting Ratios

The following table presents certain accounting and other ratios derived from our audited financial statements included in the section titled “Financial Information” beginning on page 113 of this Letter of Offer.

### Accounting Ratios (Standalone)

Particulars	Period ended December 31, 2022	Year ended March 31, 2022
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (in Rs.)	0.63	0.34
(b) Diluted Earnings Per Share (after extraordinary items) (In Rs.)	0.63	0.34
Return on Net Worth (%)	14.34%	8.93%
Net Asset Value / Book Value per Equity Share each	4.43	3.79
EBITDA (Rs. in INR)	205.04	189.56

### Accounting Ratios (Consolidated)

Particulars	Period ended December 31, 2022	Year ended March 31, 2022
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (in Rs.)	3.09	0.34
(b) Diluted Earnings Per Share (after extraordinary items) (In Rs.)	3.09	0.34
Return on Net Worth (%)	44.90%	8.93%
Net Asset Value / Book Value per Equity Share each	6.88	3.79
EBITDA (Rs. in INR)	725.18	189.56

## Capitalization Statement

The statement on our capitalisation is as set out below:

### Standalone Capitalization statement

Rs. in Lakhs

Particulars	As at December 31, 2022 (Pre-Issue)	As adjusted for proposed Issue
<b>Borrowings</b>		
Current Borrowings	89.96	-
Non-Current Borrowings (including current maturity)	68.43	-
<b>Total borrowings (A)</b>	158.39	-
<b>Total Equity</b>		
Share capital	1,826.74	-
Reserves and surplus*	(1,018.24)	-
<b>Total Equity (B)</b>	808.50	-
<b>Non-current Borrowings / Total Equity ratio</b>	8.46	-
<b>Total borrowings / Total Equity ratio (A/B)</b>	19.59	-

\*Excluding other Comprehensive Income.

### Consolidated Capitalization statement

Rs. in Lakhs

Particulars	As at December 31, 2022 (Pre-Issue)	As adjusted for proposed Issue
<b>Borrowings</b>		
Current Borrowings	127.12	-
Non-Current Borrowings (including current maturity)	68.43	-
<b>Total borrowings (A)</b>	195.55	-
<b>Total Equity</b>		
Share capital	1,876.74	-
Reserves and surplus*	2,067.55	-
<b>Total Equity (B)</b>	3,944.29	-
<b>Non-current Borrowings / Total Equity ratio</b>	1.73	-
<b>Total borrowings / Total Equity ratio (A/B)</b>	4.96	-

\*Excluding other Comprehensive Income.

### MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the BSE and NSE . As our Equity Shares are listed only on the BSE and NSE, stock market data for our Equity Shares has been given for BSE and NSE.

For the purpose of this section:

- Year is a Financial Year;
- Average price is the average of the daily closing prices of the Equity Shares, for the year, or the month, or the week, as the case may be;
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

#### Yearly Stock Market Quotation at BSE

The high, low prices and average of closing prices recorded on the BSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

Year ended on March 31	High (in Rs)	Date of High	No. of Shares traded on date of high	Low (in Rs)	Date of Low	No. of Shares traded on date of low	Average price for the year (in Rs.)
2023	31.8	14 <sup>th</sup> December, 2022	633	8.09	09 <sup>th</sup> June, 2022	5,400	17.81
2022	15.91	09 <sup>th</sup> December, 2021	38,340	8.49	05 <sup>th</sup> August, 2021	60	10.91
2021	13.11	12 <sup>th</sup> March, 2021	17,988	4.4	07 <sup>th</sup> September, 2020	55	7.65

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

#### Monthly Stock Market Quotation at BSE

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
April 30, 2023	26.01	17 <sup>th</sup> April, 2023	81,325	20.14	03 <sup>rd</sup> April, 2023	97	23.54	17
March 31, 2023	23.08	02 <sup>nd</sup> March, 2023	4,967	19.07	29 <sup>th</sup> March, 2023	8,711	21.24	21



Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
February 28, 2023	22.9	13 <sup>th</sup> February, 2023	5,285	20.25	07 <sup>th</sup> February, 2023	5,901	21.49	20
January 31, 2023	25.7	02 <sup>nd</sup> January, 2023	27,018	21.7	31 <sup>st</sup> January, 2023	7,444	23.18	21
December 31, 2022	31.8	14 <sup>th</sup> December, 2022	633	20.85	02 <sup>nd</sup> December, 2022	14,735	25.95	22
November 30, 2022	20.65	18 <sup>th</sup> November, 2022	32,285	16.85	04 <sup>th</sup> November, 2022	5,143	18.93	21

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

#### Weekly Stock Market Quotation at BSE

Week end closing prices of the Equity Shares for the last four weeks on the BSE are as below:

Week Ended on	Closing Price (In Rs.)	High (in Rs.)	Date of High	Low (in Rs.)	Date of Low
05 <sup>th</sup> May, 2023	24.31	24.71	02 <sup>nd</sup> May, 2023	24.30	03 <sup>rd</sup> May, 2023
28 <sup>th</sup> April, 2023	24.66	24.88	26 <sup>th</sup> April, 2023	23.82	25 <sup>th</sup> April, 2023
21 <sup>st</sup> April, 2023	23.98	26.01	17 <sup>th</sup> April, 2023	23.87	20 <sup>th</sup> April, 2023
13 <sup>th</sup> April, 2023	24.48	24.48	13 <sup>th</sup> April, 2023	21.55	10 <sup>th</sup> April, 2023

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

The closing price of the Equity Shares as on 08<sup>th</sup> May, 2023 was Rs. 23.65 on the BSE, the trading day immediately preceding the day on which Board of Directors approved the Issue.

#### Yearly Stock Market Quotation at NSE

The high, low prices and average of closing prices recorded on the NSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

Year ended on March 31	High (in Rs)	Date of High	No. of Shares traded on date of high	Low (in Rs)	Date of Low	No. of Shares traded on date of low	Average price for the year (in Rs.)
2023	32.15	14 <sup>th</sup> December, 2022	92,255	8.4	13 <sup>th</sup> June, 2022	34,179	19.55
2022	15.8	09 <sup>th</sup> December, 2021	1,63,641	8.1	27 <sup>th</sup> April, 2021	47,157	10.8

2021	12.1	10 <sup>th</sup> March, 2021	5,372	4.7	23 <sup>rd</sup> September, 2020	30,706	7.42
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(Source: [www.nseindia.com](http://www.nseindia.com))

#### Monthly Stock Market Quotation at NSE

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
April 30, 2023	26.15	17 <sup>th</sup> April, 2023	8,67,149	20.25	03 <sup>rd</sup> April, 2023	4,826	23.59	17
March 31, 2023	23.1	02 <sup>nd</sup> March, 2023	39,890	19.4	29 <sup>th</sup> March, 2023	34,915	21.16	21
February 28, 2023	22.6	13 <sup>th</sup> February, 2023	27,440	20.3	22 <sup>nd</sup> February, 2023	37,565	21.41	20
January 31, 2023	25.75	02 <sup>nd</sup> January, 2023	1,00,442	21.7	31 <sup>st</sup> January, 2023	52,756	23.16	21
December 31, 2022	32.15	14 <sup>th</sup> December, 2022	92,255	21.05	02 <sup>nd</sup> December, 2022	1,24,278	26.11	22
November 30, 2022	20.7	17 <sup>th</sup> November, 2022	1,21,443	16.95	03 <sup>rd</sup> November, 2022	27,106	18.97	21

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

#### Weekly Stock Market Quotation at NSE

Week end closing prices of the Equity Shares for the last four weeks on the NSE are as below:

Week Ended on	Closing Price (In Rs.)	High (in Rs.)	Date of High	Low (in Rs.)	Date of Low
05 <sup>th</sup> May, 2023	24.25	24.65	02 <sup>nd</sup> May, 2023	24.25	05 <sup>th</sup> May, 2023
28 <sup>th</sup> April, 2023	24.85	24.90	27 <sup>th</sup> April, 2023	23.95	26 <sup>th</sup> April, 2023
21 <sup>st</sup> April, 2023	24.05	26.15	17 <sup>th</sup> April, 2023	24.05	21 <sup>st</sup> April, 2023
13 <sup>th</sup> April, 2023	24.35	24.35	13 <sup>th</sup> April, 2023	21.55	10 <sup>th</sup> April, 2023

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

The closing price of the Equity Shares as on 08<sup>th</sup> May, 2023 was Rs. 23.65 on the NSE, the trading day immediately preceding the day on which Board of Directors approved the Issue.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 113 of this Draft Letter of Offer.*

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 26 and 19, respectively of this Draft Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2022 included herein is based on the Audited Financial Statements included in this Draft Letter of Offer. For further information, see "Financial Statements" beginning on page 113 of this Draft Letter of Offer.*

*Neither we, nor any of our affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and other Information" beginning on page 17 of this Draft Letter of Offer.*

### Business overview

*Our Company was originally incorporated on 19<sup>th</sup> March, 1990 under the Companies act 1956 in the name and style of "Rusoday Mutual Funds Limited". Further, name of the Company was changed from "Rusoday Mutual Funds Limited" to "Rusoday Finance Limited" vide fresh Certificate of Incorporation dated 04<sup>th</sup> June, 1996 issued by the Registrar of Companies, Andhra Pradesh, Hyderabad. Later on, the name of the Company was changed to "Global Fiscals Limited" vide fresh Certificate of Incorporation dated 06<sup>th</sup> June, 1996 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to "Arham Fiscals Limited" vide fresh Certificate of Incorporation dated 28<sup>th</sup> April, 1997 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to "Color Chips (India) Limited" vide fresh Certificate of Incorporation dated 05<sup>th</sup> January, 2000 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The name of the Company was further changed to "Sphere Global Services Limited" vide fresh Certificate of Incorporation dated 01<sup>st</sup> October, 2014 issued by Registrar of Companies, Hyderabad, Telangana. The name of the Company was further changed to "Adroit Infotech Limited" vide fresh Certificate of Incorporation dated 01<sup>st</sup> October, 2014 issued by Registrar of Companies, Hyderabad, Telangana. The Corporate Identification Number (CIN) of the Company is L72300TG1990PLC011129.*

We are a Specialist SAP Consulting Company, with close to two decades of experience in helping organizations significantly reduce costs and improve effectiveness and efficiency through internal process improvements using SAP products and solutions.

For further details, refer chapter titled "Our Business" on page 95.



## **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Draft Letter of Offer, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

## **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "*Risk Factors*" beginning on page 26 of this Draft Letter of offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Inability to cater to the evolving consumer preferences, in India and abroad, in the information technology industry;
- Failure to anticipate or successfully adopt and incorporate new technologies in our offerings;
- Failure to successfully upgrade our service portfolio, from time to time;

## **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been applied consistently to the periods presented in the Limited Review Unaudited Standalone and Consolidated Financial Statements and Audited Standalone and Consolidated Financial Statements. For details of our significant accounting policies, please refer chapter titled "Financial Statements" on page 113 of this Draft Letter of Offer.

## **CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS**

Except as mentioned in chapter titled "Financial Statements" on page 113, There has been no change in accounting policies for the period which has been included in this Draft Letter of Offer.

## **RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS**

For details, please refer chapter titled "Financial Statements" on page 113 of this Draft Letter of Offer.

## **SUMMARY OF OPERATIONS**

The following discussion on result of operations should be read in conjunction with the Unaudited Standalone and consolidated financial statements of our Company for the Nine months period ended on December 31, 2022 and financial year ended March 31, 2022.

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's Audited financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

(Rs. In Lakhs)

Particulars	For the Nine months December, 2022		For the Nine months December, 2021		For the financial year ended 31 <sup>st</sup> March, 2022		For the financial year ended 31 <sup>st</sup> March, 2021	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
<b>Income:-</b>								
Revenue from Operations	384.25	1790.75	546.53	546.53	637.10	637.10	618.09	618.09
<i>As a % of Total Revenue</i>	98.73%	98.95%	99.29%	99.29%	98.23%	98.23%	87.39%	87.39%
Other Income	4.95	19.03	3.89	3.89	11.50	11.50	89.21	89.21
<i>As a % of Total Revenue</i>	1.27%	1.05%	0.71%	0.71%	1.77%	1.77%	12.61%	12.61%
<b>Total Revenue (A)</b>	<b>389.20</b>	<b>1809.78</b>	<b>550.43</b>	<b>550.43</b>	<b>648.60</b>	<b>648.60</b>	<b>707.30</b>	<b>707.30</b>
<b>Expenditure: -</b>								
Operational Expenses	-	-	-	-	-	-	-	-
<i>As a % of Total Revenue</i>	-	-	-	-	-	-	-	-
Employees Benefit Expenses	87.27	794.87	205.08	205.08	321.17	321.17	329.01	329.01
<i>As a % of Total Revenue</i>	22.42%	43.92%	37.26%	37.26%	49.52%	49.52%	46.52%	46.52%
Depreciation and Amortization Expense	87.36	91.65	71.53	71.53	108.49	108.49	109.21	109.21
<i>As a % of Total Revenue</i>	22.45%	5.06%	13.00%	13.00%	16.73%	16.73%	15.44%	15.44%
Finance Cost	12.36	12.74	10.13	10.13	17.20	17.20	18.24	18.24
<i>As a % of Total Revenue</i>	3.18%	0.70%	1.84%	1.84%	2.65%	2.65%	2.58%	2.58%
Other Expenses	89.23	281.67	89.14	89.14	134.27	134.27	105.79	105.79
<i>As a % of Total Revenue</i>	22.93%	15.56%	16.19%	16.19%	20.70%	20.70%	14.96%	14.96%
<b>Total Expenses (B)</b>	<b>276.21</b>	<b>1180.92</b>	<b>375.88</b>	<b>375.88</b>	<b>581.13</b>	<b>581.13</b>	<b>562.26</b>	<b>562.26</b>
<i>As a % of Total Revenue</i>	70.97%	65.25%	68.29%	68.29%	89.60%	89.60%	79.49%	79.49%
<b>Profit before exceptional items and tax</b>	<b>113.00</b>	<b>628.86</b>	<b>174.55</b>	<b>174.55</b>	<b>67.47</b>	<b>67.47</b>	<b>145.04</b>	<b>145.04</b>
<i>As a % of Total Revenue</i>	29.03%	34.75%	31.71%	31.71%	10.40%	10.40%	20.51%	20.51%
Exceptional Items	-	-	-	-	6.69	6.69	142.32	142.32

Particulars	For the Nine months December, 2022		For the Nine months December, 2021		For the financial year ended 31 <sup>st</sup> March, 2022		For the financial year ended 31 <sup>st</sup> March, 2021	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Profit before Tax (PBT)	113.00	628.86	174.55	174.55	60.78	60.78	2.72	2.72
PBT Margin	29.03%	34.75%	31.71%	31.71%	9.37%	9.37%	0.38%	0.38%
Tax Expense:								
i. Current Tax	-	67.59	35.36	35.36	-	-	3.28	3.28
ii. Deferred Tax Expenses/ (Credit)	-2.96	-2.96	-	-	-1.09	-1.09	-0.07	-0.07
iii. Income tax for earlier	-	-	-	-	-	-	-	-
Profit after Tax PAT	115.96	564.22	139.19	139.19	61.86	61.86	-0.49	-0.49
PAT Margin %	29.79%	31.18%	25.29%	25.29%	9.54%	9.54%	-0.07%	-0.07%

**COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 WITH FINANCIAL YEAR ENDED MARCH 31, 2021**
**INCOME**
**Income from Operations (Rs. In Lakhs)**

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	637.10	637.10	618.09	618.09	3.08%	3.08%

**Standalone:**

The operating income of the Company for the year ending March 31, 2022 is Rs. 637.10 Lakhs as compared to Rs. 618.09 Lakhs for the year ending March 31, 2021, showing an increase of 3.08%, and such increase is due to increase in volume of our operations.



**Consolidated:**

The operating income of the Company for the year ending March 31, 2022 is Rs. 637.10 Lakhs as compared to Rs. 618.09 Lakhs for the year ending March 31, 2021, showing an increase of 3.08%, and such increase is due to increase in volume of our operations.

**Other Income (Rs. In Lakhs)**

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Other Income	11.50	11.50	89.21	89.21	(87.11%)	(87.11%)

**Standalone:**

Our other income decreased from Rs. 89.21 Lakhs to Rs.11.50 Lakhs. This was primarily due to decrease in Non-operative Income etc.

**Consolidated:**

Our other income decreased from Rs. 89.21 Lakhs to Rs.11.50 Lakhs. This was primarily due to decrease in Non-operative Income etc.

**Employee Benefit Expenses (Rs. In Lakhs)**

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Employee Benefit Expenses	321.17	321.17	329.01	329.01	(2.38%)	(2.38%)

**Standalone:**

There is 2.38% decrease in employee benefit expenses from Rs. 329.01 Lakhs in financial year 2020-21 to Rs. 321.17 Lakhs in financial year 2021-22 which is due to decrease in staff and salary & wages.

**Consolidated:**

There is 2.38% decrease in employee benefit expenses from Rs. 329.01 Lakhs in financial year 2020-21 to Rs. 321.17 Lakhs in financial year 2021-22 which is due to decrease in staff and salary & wages.

#### Finance Cost (Rs. In Lakhs)

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Finance Cost	17.20	17.20	18.24	18.24	(5.70%)	(5.70%)

#### Standalone:

Finance Cost for the Financial Year 2021-2022 have decreased 5.70% from Rs. 17.20 Lakhs as compared to Rs. 18.24 Lakhs for the Financial Year 2020-2021. The decrease in Finance Cost was majorly due to decrease in bank charges.

#### Consolidated:

Finance Cost for the Financial Year 2021-2022 have decreased 5.70% from Rs. 17.20 Lakhs as compared to Rs. 18.24 Lakhs for the Financial Year 2020-2021. The decrease in Finance Cost was majorly due to decrease in bank charges.

#### Depreciation (Rs. In Lakhs)

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Depreciation	108.49	108.49	109.21	109.21	(0.66%)	(0.66%)

#### Standalone:

Depreciation for the Financial Year 2021-2022 have decreased 0.66% from Rs. 108.49 Lakhs as compared to Rs. 109.21 Lakhs for the Financial Year 2020-2021. The decrease in depreciation was majorly due to decrease in value of tangible assets.

**Consolidated:**

Depreciation for the Financial Year 2021-2022 have decreased 0.66% from Rs. 108.49 Lakhs as compared to Rs. 109.21 Lakhs for the Financial Year 2020-2021. The decrease in depreciation was majorly due to decrease in value of tangible assets.

**Profit Before Tax (Rs. In Lakhs)**

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Profit before Tax	60.78	60.78	2.72	2.72	2,134.56%	2,134.56%

**Standalone:**

Profit before tax increased from Rs. 2.72 Lakhs in financial year 2020-21 to Rs. 60.78 Lakhs in financial year 2021-22.

**Consolidated:**

Profit before tax increased from Rs 2.72 Lakhs in financial year 2020-21 to Rs. 60.78 Lakhs in financial year 2021-22.

**Net Profit (Rs. In Lakhs)**

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Profit	61.86	61.86	(0.49)	(0.49)	12,724.49%	12,724.49%

**Standalone:**

Our Net Profit increased from Rs. (0.49) Lakhs in financial year 2020-21 to 61.86 Lakhs in financial year 2021-22. This increment was in line with increase in revenue and decrease in expenses.



**Consolidated:**

Our Net Profit increased from Rs. (0.49) Lakhs in financial year 2020-21 to 61.86 Lakhs in financial year 2021-22. This increment was in line with increase in revenue and decrease in expenses.

**NINE MONTHS PERIOD ENDED DECEMBER 31, 2022 COMPARED TO NINE MONTHS PERIOD ENDED DECEMBER 31, 2021**
**Income from Operations (Rs. In Lakhs)**

Particulars	31.12.2022		31.12.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	384.25	1790.75	546.53	546.53	(29.69%)	227.66%

**Standalone:**

The operating income of the Company for the December 31, 2022 is Rs. 384.25 Lakhs as compared to Rs. 546.53 Lakhs for the December 31, 2021, showing decrease of 29.69% and such increase is due to decrease in volume of operations.

**Consolidated:**

The operating income of the Company for the December 31, 2022 is 1790.75 Lakhs as compared to Rs. 546.53 Lakhs for the December 31, 2021, showing an Increase of 227.66% such increase is due to increase in volume of operations on consolidated basis.

**Other Income (Rs. In Lakhs)**

Particulars	31.12.2022		31.12.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Other Income	4.95	19.03	3.89	3.89	27.25%	389.20%

**Standalone:**

Our other income increases from Rs. 3.89 Lakhs to Rs. 4.95 Lakhs this was primarily due to increase in Non-operating Income.

**Consolidated:**

Our other income increases from 3.89 Lakhs to Rs. 19.03 Lakhs this was primarily due to increase in Non-operating Income on consolidated basis.

**Employee Benefit Expenses (Rs. In Lakhs)**

Particulars	31.12.2022		31.12.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Employee Benefit Expenses	87.27	794.87	205.08	205.08	(57.45%)	287.59%

**Standalone:**

There is 57.45 % decrease in employee benefit expenses from Rs. 205.08 Lakhs to Rs. 87.27 Lakhs on which is due to decrease in staff and salary & wages.

**Consolidated:**

There is 287.59% increase in employee benefit expenses from Rs. 205.08 Lakhs to Rs 794.87 Lakhs on consolidated basis which is due to increase in staff and salary & wages.

**Finance Cost (Rs. In Lakhs)**

Particulars	31.12.2022		31.12.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Finance Cost	12.36	12.74	10.13	10.13	22.01%	25.77%

**Standalone:**

Finance Cost have increased 22.01% from Rs.10.13 Lakhs as compared to Rs.12.36 Lakhs. The increase in Finance Cost was majorly due to increase in bank charges.

**Consolidated:**

Finance Cost have increased 25.77% from Rs.10.13 Lakhs as compared to Rs. 12.74 Lakhs. The decrease in Finance Cost was majorly due to decrease in bank charges.

**Depreciation (Rs. In Lakhs)**

Particulars	31.12.2022		31.12.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Depreciation	87.36	91.65	71.53	71.53	22.13%	28.13%

**Standalone:**

Depreciation have increased 22.13% from Rs. 71.53 Lakhs as compared to Rs. 87.36 Lakhs. The increase in depreciation was majorly due to increase in value of tangible assets.

**Consolidated:**

Depreciation have increased 28.13% from Rs. 71.53 Lakhs as compared to Rs. 91.65 Lakhs. The increase in depreciation was majorly due to increase in value of tangible assets on consolidated basis.

**Profit Before Tax (Rs. In Lakhs)**

Particulars	31.12.2022		31.12.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Profit before Tax	113.00	628.86	174.55	174.55	(35.26%)	260.27%

**Standalone:**

Profit before tax decreased by 35.26% from Rs. 174.55 Lakhs to Rs. 113.00 Lakhs.



**Consolidated:**

Profit before tax increased by 259.13% from Rs. 174.55 Lakhs to Rs. 628.86 Lakhs.

**Net Profit (Rs. In Lakhs)**

Particulars	31.12.2022		31.12.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Profit	113.00	628.86	174.55	174.55	16.69%	305.36%

**Standalone:**

Our Net Profit decreased by 16.69% from Rs.139.19 Lakhs to Rs. 115.96 Lakhs. This decrease was in line with decrease in revenue.

**Consolidated:**

Our Net Profit increased by 305.36% from Rs.139.19 Lakhs to Rs. 628.86 Lakhs. This increment was in line with increase in revenue on consolidated basis.

**Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 26 and 119, respectively, of this Draft Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

**Unusual or Infrequent Events or Transactions**

Except as described elsewhere in this Draft Letter of Offer, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

**Significant economic/regulatory changes**

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the chapter titled “*Risk Factors*” on page 26 of this Draft Letter of Offer.

**Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Other than as described in the chapter titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 26 and 119, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

**The extent to which material increases in net sales or revenue are due to increased sales volume or increased sales prices**

Increase in revenues is by and large linked to increase in sale of our services.

**Competitive Conditions**

We expect competition in the sector from existing and potential competitors to intensify. However, on account of cost reduction and cost control, consistently delivering quality services, we are able to stay competitive. For further details, kindly refer the chapter titled “*Our Business*” beginning on page 95 of this Draft Letter of Offer.

## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Draft Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Draft Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is where the amount involved is 20% of Turnover or Net Worth of the Company for the immediately preceding financial year ("Materiality Threshold") or above.*

*Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.*

*Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.*

#### LITIGATIONS INVOLVING OUR COMPANY

##### LITIGATIONS AGAINST OUR COMPANY

**Criminal proceeding against our Company**

Nil

**Action and Proceeding initiated by Statutory / Regulatory Authority including economic offences against our Company**

Nil

**Other Proceeding against our Company including matters which are considered material as per Materiality Policy**

Nil

##### LITIGATIONS BY OUR COMPANY

**Criminal proceeding by our Company**

Nil



Other Proceeding by our Company including matters which are considered material as per Materiality Policy

Nil

**LITIGATIONS INVOLVING SUBSIDIARY COMPANIES**

**LITIGATIONS AGAINST SUBSIDIARY COMPANIES**

Criminal proceeding against our Subsidiary Companies

Nil

Action and proceeding initiated by Statutory/Regulatory Authority against of our Subsidiary Companies

Nil

Other Proceeding against our Subsidiary Companies

Nil

**LITIGATIONS BY SUBSIDIARY COMPANIES**

Criminal proceeding by our Subsidiary Companies

Nil

Other Proceeding by our Subsidiary Companies

Nil

**REVENUE MATTERS:**

Nil

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWERS**

Neither our Company, our Promoter, our Directors are or have been classified as a willful defaulter or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on willful defaulters or fraudulent borrower issued by RBI.

**AMOUNT DUE TO MSME**

There are no pending dues to one MSME supplier for more than 30 (thirty) days.

#### **GOVERNMENT AND OTHER STATUTORY APPROVALS**

Our Company requires various consents, licenses, permissions and approvals from various central and state authorities under various rules and regulations for carrying on its present business activities. We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required for our present business and to undertake the Issue. Such consents, licenses, permissions and approvals may be required to be renewed periodically and applications for the same are made at the appropriate stage.

Since, our Company intends to utilize the proceeds of the Issue to meet the incremental working capital requirement, no government and regulatory approval pertaining to the Object of the Issue will be required.

#### **MATERIAL DEVELOPMENTS**

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 119 of this Draft Letter of Offer.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

This Issue has been authorized by the resolution passed by our Board at its meeting held on 09<sup>th</sup> May, 2023 pursuant to Section 62 (1) (a) of the Companies Act, 2013 and other applicable provisions. The Rights Issue Committee has approved the Record Date for the Issue at its meeting held on [●] and this Draft Letter of Offer at its meeting held on 09<sup>th</sup> May, 2023.

Our Board, in its meeting held on 09<sup>th</sup> May, 2023 has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at Rs. [●] per Equity Share aggregating up to Rs.4900.00 Lakhs. The Issue Price is Rs. [●] per Equity Share has been arrived at by our Company prior to determination of the Record Date.

Our Company has received in-principle approval from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be Allotted in this Issue pursuant to its letter dated [●] and [●] respectively. Our Company will also make application to BSE and NSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 143 of this Draft Letter of Offer.

### Prohibition by SEBI

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred 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. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoter by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

### Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

### **Eligibility for this Issue**

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause 2 of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

### **Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

### **Disclaimer Clause of SEBI**

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to Rs. 4900.00 lakhs. The present Issue being of less than Rs. 5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e. [www.sebi.gov.in](http://www.sebi.gov.in).

### **Disclaimer from our Company, our Director(s)**

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

### **Caution**

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

### **Disclaimer with respect to jurisdiction**

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Hyderabad, Telangana, India only.

### **Designated Stock Exchange**

The Designated Stock Exchange for the purpose of the Issue is BSE Limited ("BSE").

### **Listing**

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

### **Disclaimer Clause of BSE**

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Disclaimer Clause of NSE**

As required, a copy of this Draft Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"National Stock Exchange of India Limited ("the Exchange") has given, vide its letter dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized



this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever

### **Selling Restrictions**

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights

Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

#### **NO OFFER IN THE UNITED STATES**

**THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.**

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

#### **NO OFFER IN ANY JURISDICTION OUTSIDE INDIA**

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, SAUDI ARABIA, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

#### **Consents**

Consents in writing of our Directors, Legal Advisor, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated May 08, 2023 from our Statutory Auditor, for inclusion of their report on the Financial Information in this Draft Letter of Offer and to include their name in this Draft Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated May 08, 2023 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

#### **Expert Opinion**

Our Company has not obtained any expert opinion.

#### **Performance vis-à-vis objects - Public/Rights Issue of our Company**

Our Company has not made any rights issues, However, Our Company has made a public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

#### **Filing**

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchanges and not with SEBI.



However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

#### **Mechanism for Redressal of Investor Grievances**

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights Our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 143. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

#### **Investor Grievances arising out of this Issue**

Investors may contact the Registrar to the Issue at:

##### **Registrar to the Issue**

**Venture Capital and Corporate Investments Private Limited**  
"AURUM", D No.4-50/P-II/57/4F & 5F, 4th & 5th Floors, Plot No.57,  
Jayabheri Enclave Phase - II, Gachibowli, Serilingampally,  
Hyderabad - 500 032. Ranga Reddy Dist., Telangana.  
Tel No.: +91 040-23818475/23818476/23868023  
Fax No.: +91 040-23868024  
Website: [www.vccipl.com](http://www.vccipl.com)  
E-mail ID: [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com)  
Contact Person: Mr. P V Srinivasa Rao  
SEBI Registration No: INR000001203

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post- Issue related matter such as non-receipt of letter of Allotment, credit of Rights Equity Shares, refund and such other matters. The contact details of the Compliance Officer are as follows:

### **Company Secretary and Compliance Officer**

**Piyush Prajapati**

# Plot No. 7A, MLA Colony, Road No. 12,  
Banjara Hills Hyderabad, Telangana - 500034

Email: [cs@adroitinfotech.com](mailto:cs@adroitinfotech.com)

Website: [www.adroitinfotech.com](http://www.adroitinfotech.com)

Tel: +91-40-23552284/85/86

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities.

### **Status of Complaints**

- i. Total number of complaints received during Fiscal 2020: Nil
- ii. Total number of complaints received during Fiscal 2021: Nil
- iii. Total number of complaints received during Fiscal 2022: Nil
- iv. Total number of complaints received during Fiscal 2023 (till date): Nil
- v. Time normally taken for disposal of various types of investor complaints: 15 days
  - (a) Share transfer process: Within 15 days after receiving full set of documents
  - (b) Share transmission process: Within 21 days after receiving full set of documents
  - (c) Other Complaints: Within 15 days from the receipt of the complaint

### **Status of outstanding investor complaints**

As on the date of the DLOF, there were Nil outstanding investor complaints.

### **Changes in Auditor during the last three years**

There has been no change in the Auditors of the Company during the last three years except M/s Rao & Shyam were appointed as the Statutory Auditor of the company for a period of five years from the FY 2022-23 to 2026-27.

## SECTION VIII - ISSUE INFORMATION

### TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circular, Investors proposing to apply in this Issue can apply only through ASBA.*

*The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA.*

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

### DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Right issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) Our Company at [www.adroitinfotech.com](http://www.adroitinfotech.com);
- (ii) The Registrar at [www.vccipl.com](http://www.vccipl.com);
- (iii) The Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com);

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [www.vccipl.com](http://www.vccipl.com)) by entering their DP ID and Client ID or Folio Number



(for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.vccipl.com](http://www.vccipl.com))

**Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

The distribution of the Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

#### **PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, titled “Procedure for Application through the ASBA Process” on page 146.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer “Grounds for Technical Rejection” 131. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, refer chapter titled “Application on Plain Paper under ASBA process”.

#### **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- e) renounce its Rights Entitlements in full.

### **Procedure for Application through the ASBA process**

A Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

### **Do's for Shareholders applying through ASBA:**

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.



- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

**Don'ts for Shareholders applying through ASBA:**

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- d) Do not submit Application Form using third party ASBA account.

**Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (a) Name of our Company, being Adroit Infotech Limited;
- (b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (c) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- (d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue

- (e) Number of Equity Shares held as on Record Date;
- (f) Allotment option - only dematerialised form;
- (g) Number of Equity Shares entitled to;
- (h) Number of Equity Shares applied for within the Rights Entitlements;
- (i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (j) Total number of Equity Shares applied for;
- (k) Total amount paid at the rate of Rs. [●] per Equity Share;
- (l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- (m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- (n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (p) All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

*I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulations"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.*

*I/ We acknowledge that the Company, our affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. "*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at [www.vccipl.com](http://www.vccipl.com).

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

### **Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

### ***Application for Additional Equity Shares***

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "- *Basis of Allotment*" mentioned below.



**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.** Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

*Additional general instructions for Shareholders in relation to making of an application*

- i) Please read this Draft Letter of offer carefully to understand the Application process and applicable settlement process.
- ii) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- iii) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.
- iv) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- v) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- vi) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- vii) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders**

and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- viii) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- ix) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- x) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- xi) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- xii) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- xiii) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- xiv) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- xv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- xvi) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- xvii) Do not pay the Application Money in cash, by money order, pay order or postal order.
- xviii) Do not submit multiple Applications.
- xix) No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the

government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

- xx) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

### **Grounds for Technical Rejection**

#### ***Applications made in this Issue are liable to be rejected on the following grounds:***

- i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- ii) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- iii) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- vi) Account holder not signing the Application or declaration mentioned therein.
- vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- viii) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
- ix) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- x) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- xii) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Draft Letter of offer.
- xiii) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- xiv) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demands.
- xv) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- xvi) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with



this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

- xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- xviii) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

**Applications by non-resident Shareholders.**

- a. Payment from third party bank accounts.

**Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- Procedure for Applications by Mutual Funds" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) a Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

**Procedure for Applications by certain categories of Shareholders**

***Procedure for Applications by FPIs***

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any

recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre - approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

#### ***Procedure for Applications by AIFs, FVCIs, VCFs and FDI route***

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

#### ***Procedure for Applications by NRIs***

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India,

subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Shareholders**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

#### ***Procedure for Applications by Mutual Funds***

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

#### ***Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")***

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

#### ***Last date for Application***

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], 2023, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "*Basis of Allotment*" mentioned below.

Please note that on the Issue Closing Date, (Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.



Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### ***Withdrawal of Application***

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

### ***Disposal of Application and Application Money***

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

## **CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS**

### **Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.vccipl.com](http://www.vccipl.com)) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.adroitinfotech.com](http://www.adroitinfotech.com)).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements they will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e* [www.vccipl.com](http://www.vccipl.com)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●], 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their

demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

## **RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT**

### **Renouncees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

### **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

### **Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

**Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.**



### **On Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●], 2023 (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

### **Off Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

#### **Record date for Call and suspension of trading**

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchange for the purpose of determining the list of holders of the Rights Equity Shares to whom the notice for the Call would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the call has been made may be suspended prior to the Call Record Date.

#### **Procedure for Call for Rights Equity Shares**

Our Company would convene a meeting of the Board of Directors to pass the required resolutions for making the Call and suitable intimation would be given by our Company to the Stock Exchanges. Further, advertisements for the same will be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Telugu language daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is situated), all with wide circulation. The Call shall be deemed to have been made at the time when the resolution authorising such Call is passed at the meeting of our Board. The Call may be revoked or postponed at the discretion of the Board. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 15 days' notice for the payment of the Call. The Board may, from time to time at its discretion, extend the time fixed for the payments of the Call. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Call, and if it does not receive the Call Monies as per the timelines stipulated unless extended by the Board, the defaulting holders of the Rights Equity Shares will be liable to pay interest as may be fixed by the Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Call made.

#### **Payment of Call Money**

In accordance with the SEBI circular SEBI/HO/CFD/DIL1/CIR/238/2020 dated December 8, 2020 regarding additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in call for partly paid specified securities issued by the listed entity, the holders of Rights Equity Shares may make payment of the Call Monies using ASBA Mechanism through the Designated Branch of the SCSB or through online/electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call, in the Investor's ASBA Account. The holders of Rights Equity Shares may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Monies.

#### **Separate ISIN for Rights Equity Shares**

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the

final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

#### **Mode of Payment**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholder's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **Mode of payment for Resident Shareholders**

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

#### **Mode of payment for Non-Resident Shareholders**

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.



2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

#### Terms of payment

Amount Payable per Right Equity Shares	Face Value	Premium	Total
On the Issue application (i.e. along with the Application Form)	Rs. [●]	Rs. [●]	Rs. [●]
On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time*	Rs. [●]	Rs. [●]	Rs. [●]
<b>Total</b>	<b>Rs. 10</b>	<b>Rs. [●]</b>	<b>Rs. [●]</b>

#### BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on mentioned above.

#### Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one Additional Rights Equity Share if they apply for Additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for Additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

### **Ranking**

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

### **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE and NSE through letter bearing reference number [●] dated [●] and number [●] dated [●] respectively. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE having the (Scrip Code: 532172) and on NSE having the (Symbol: ADROITINFO) under the ISIN: INE737B01033. The Right Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our

Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

#### **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

#### **Rights of the Rights Equity Shareholder**

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

#### **General Terms of the Issue**

##### **Market Lot**

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialized mode is one Equity Share.

##### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

##### **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.



### **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialized form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

### **Notices**

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one **Telugu language national daily newspaper with wide circulation being the regional language of Telangana, where our Registered Office is situated.**

This Draft Letter of offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

### **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at [www.vccipl.com](http://www.vccipl.com). It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and Our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Draft Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com).

#### **ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE**

#### **Issue Schedule**

Last date for credit of Rights entitlements	[•]
Issue opening date	[•]
Last Date on Market Renunciation of Rights Entitlements*	[•]
Issue Closing Date**	[•]
Finalisation Of Basis of Allotment (On or About)	[•]
Date Of Allotment (On or About)	[•]
Date Of Credit (On or About)	[•]
Date Of Listing (On or About)	[•]

*\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*\*\*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] , 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●] , 2023.

### **Basis of Allotment**

Subject to the provisions contained in this Draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.



After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

- i) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

#### **ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

## **PAYMENT OF REFUND**

### **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

#### **Unblocking amounts blocked using ASBA facility.**

**NACH** - National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

**National Electronic Fund Transfer ("NEFT")** - Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.

**Direct Credit** - Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company

**RTGS** - If the refund amount exceeds Rs. 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholders.

For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole/first Shareholders and payable at par.

Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

#### ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

## **ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES**

### **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.**

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

**SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- ii) It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- iii) The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholder's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholder's depository participant.
- iv) If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- v) The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.



- vi) Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
- vii) Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

## **IMPERSONATION**

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 0.5 crore or with both.

## **UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- i) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.

- iii) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- vi) Adequate arrangements shall be made to collect all ASBA Applications.
- vii) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

#### **SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS**

1. Please read this Draft Letter of offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "[•]" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:  
  
**Venture Capital and Corporate Investments Private Limited**  
"AURUM", D No.4-50/P-II/57/4F & 5F, 4th & 5th Floors, Plot No.57,  
Jayabheri Enclave Phase - II, Gachibowli, Serilingampally,  
Hyderabad - 500 032. Ranga Reddy Dist., Telangana.  
**Tel No.:** +91 040-23818475/23818476/23868023  
**Fax No.:** +91 040-23868024  
**Website:** [www.vccipl.com](http://www.vccipl.com)  
**E-mail ID:** [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com)  
**Contact Person:** Mr. P V Srinivasa Rao  
**SEBI Registration No:** INR000001203
3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar [www.vccipl.com](http://www.vccipl.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 040-23818475.
  - (i) The Shareholders can visit following links for the below-mentioned purposes:

4. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: [www.vccipl.com](http://www.vccipl.com).
5. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: [www.vccipl.com](http://www.vccipl.com).
6. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: [www.vccipl.com](http://www.vccipl.com).
7. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: [www.vccipl.com](http://www.vccipl.com).

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Circular 2020"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas

Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

#### **STATUTORY AND OTHER INFORMATION**

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.



## SECTION IX - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The copies of the following documents and contracts referred to in para (A) have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer.*

*Copies of the above mentioned contracts and also the documents for inspection referred to in para (B), may be inspected at the Registered Office and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Letter of Offer until the closure of the subscription list.*

*Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.*

#### A) MATERIAL CONTRACTS

1. Agreement dated April 20, 2023 between our Company and Venture Capital and Corporate Investments Private Limited, Registrar to the Issue.
2. Tripartite Agreement between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
3. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;
4. Banker(s) to the Issue Agreement dated [●] amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).

#### (B) DOCUMENTS FOR INSPECTION

5. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
6. Certificate of Incorporation dated 19<sup>th</sup> March, 1990.
7. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated 09<sup>th</sup> May, 2023 authorizing the Issue.
8. Copy of the resolution passed by the Right Issue Committee dated 09<sup>th</sup> May, 2023 approving the Draft letter of offer.
9. Resolution passed by the Right Issue Committee dated [●] determining the Record date.
10. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor and Registrar to the Issue to include their names in the Offer Document to act in their respective capacities;

11. Annual reports of our Company for the financial years ended March 31, 2020, 2021 and 2022 and Unaudited Standalone financial results for the nine months ended 31<sup>st</sup> December, 2022;
12. A statement of tax benefits dated 08<sup>th</sup> May, 2023 received from M/s. Rao and Shyam, Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders;
13. Certificate dated 08<sup>th</sup> May, 2023 from M/s. Rao and Shyam, Chartered Accountants regarding “Sources & deployment of funds”;
14. In-principle listing approval(s) dated [●] from BSE Limited and National Stock Exchange of India Limited respectively;

Any of the contracts or documents mentioned in the Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

### DECLARATION

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

Name	Signature
Sudhakaran Sunkerneni Reddy Managing Director DIN: 01436242	Sd/-
Sridhar Pyata Reddy Director DIN: 07268714	Sd/-
Sunkireddy Rajashekar Reddy Director DIN: 06983058	Sd/-
Sunder Raj Nyayapathi Non-Executive and Independent Director DIN: 01679215	Sd/-
Sunitha Kuchakulla Non-Executive and Independent Director DIN: 07502066	Sd/-
Patlola Venkata Lakshma Reddy Non-Executive and Independent Director DIN: 01108707	Sd/-
Ravichandra Rao Chief Financial Officer ADHPB1383P	Sd/-
Arvind Dwivedi Chief Executive Officer AEMPD3974N	
Piyush Prajapati Company Secretary and Compliance officer PAN: BJMPP9906J	Sd/-

**Place: Hyderabad**  
**Date: 09<sup>th</sup> May, 2023**