



**KAIROSOFT AI SOLUTIONS LIMITED**  
(Formerly known as Pankaj Piyush Trade and Investment Limited)  
CIN: L22209DL1982PLC256291

Our Company was originally incorporated as "Pankaj Piyush Trade and Investment Limited" a Public limited company vide a certificate of incorporation dated May 29, 1983, issued by the Registrar of Companies, NCT of Delhi, Over the years, the company has undergone significant transformations to align with its strategic goals. On August 20, 2024, it was renamed "Kairosoft AI Solutions Limited" reflecting its core focus.

**Registered Office:** DPT612, F-79& 80, DLF Prime Towers, Okhla Industrial Estate, South Delhi, New Delhi-110020  
**Tel:** +91 9818502247 **Email:** infopptinvestment@gmail.com **Website:** www.kairosoft.ai  
**Contact Person:** Bhag Chand Sharma, Company Secretary & Compliance Officer

**PROMOTERS OF OUR COMPANY: VINOD KUMAR BANSAL**

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF KAIROSOFT AI SOLUTIONS LIMITED**

**NEITHER OUR COMPANY, OUR PROMOTERS NOR OUR DIRECTORS HAVE BEEN DECLARED AS A WILFUL DEFAULTER OR FRAUDULENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY**

**THE ISSUE**

ISSUE OF UPTO 40,00,000 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") OF KAIROSOFT AI SOLUTIONS LIMITED ("VOLKAI" 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. 2,000.00 LACS TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF [●] [●] PAID UP EQUITY SHARES FOR EVERY [●] [●] FULLY PAID UP 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 131 OF THIS DRAFT LETTER OF OFFER.

#ASSUMING FULL SUBSCRIPTION OF THE ISSUE

**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 22 of this Draft Letter of Offer before making an investment in this Issue.

**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). Our Company has received "in-principle" approval from BSE for listing the Equity Shares to be allotted pursuant to the Issue through its letter dated [●]. Our Company will also make an application to BSE 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.

**REGISTRAR TO THE OFFER**



**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
D 153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi 110 020  
**Tel.:** +91 011-26812682  
**Fax:** +91 011-26812682  
**Web:** www.skylinerta.com  
**Email:** admin@skylinerta.com/ info@skylinerta.com  
**SEBI Registration No:** INR000003241  
**Contact Person:** Mr. Virendra Rana

**ISSUE PROGRAMME**

ISSUE OPENS ON	LAST DATE OF MARKET RENONCIATIONS*	ISSUE CLOSES 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 Renounees 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, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of the Application shall be permitted by any Applicant after the Issue Closing Date



## Contents

SECTION I - GENERAL.....	3
DEFINITIONS AND ABBREVIATIONS .....	3
NOTICE TO INVESTORS.....	12
PRESENTATION OF FINANCIAL AND OTHER INFORMATION .....	14
FORWARD LOOKING STATEMENTS .....	16
SECTION II - SUMMARY OF LETTER OF OFFER.....	18
SECTION III - RISK FACTORS.....	22
SECTION IV- INTRODUCTION .....	28
THE ISSUE.....	28
SUMMARY OF FINANCIAL STATEMENTS .....	29
GENERAL INFORMATION.....	40
CAPITAL STRUCTURE.....	45
SECTION V-PARTICULARS OF THE ISSUE.....	48
OBJECTS OF THE ISSUE.....	48
STATEMENT OF SPECIAL TAX BENEFITS .....	56
SECTION V-ABOUT OUR COMPANY .....	60
OUR INDUSTRY .....	60
OUR BUSINESS .....	79
OUR MANAGEMENT .....	94
OUR PROMOTER .....	102
SECTION VI - FINANCIAL INFORMATION.....	103
FINANCIAL STATEMENTS.....	103
MARKET PRICE INFORMATION .....	105
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	107
SECTION VII - LEGAL AND OTHER INFORMATION .....	120
OUTSTANDING LITIGATIONS AND OTHER DEFAULTS .....	120
GOVERNMENT AND OTHER STATUTORY APPROVALS .....	122
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	124
SECTION VIII - ISSUE INFORMATION.....	131
TERMS OF THE ISSUE .....	131
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	162
SECTION IX - OTHER INFORMATION.....	165
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	165
DECLARATION .....	167



## 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 56 and 103, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

### Company Related Terms

Terms	Description
"Kairosoft AI Solutions Limited" or "the Company" or "our Company" or "we" or "us" or "our" or "the Issuer"	Kairosoft AI Solutions Limited, a public limited company incorporated under the provisions of the Companies Act, 1956. Having registered address at DPT612, F-79& 80, DLF Prime Towers, Okhla Industrial Estate, South Delhi, New Delhi, Delhi, India, 110020.
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. S Agarwal & Co., 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.
Key Managerial Personnel / KMP	Mr. Sagar Khurana, Managing Director, Mr. Raman Kumar, Chief Financial Officer of the Company and Bhag Chand Sharma, Company Secretary and Compliance Officer
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter	Mr. Vinod Kumar Bansal
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 Exchange under the SEBI Listing Regulations.
Registered Office	DPT- 612, F-79& 80, DLF Prime Towers, Okhla Industrial Estate, South Delhi, New Delhi, Delhi, India, 110020.
Registrar of Companies / ROC	Registrar of Companies, Delhi at 4 <sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019.

Terms	Description
Subsidiary / Subsidiary Company / our Subsidiary	Not Applicable

#### 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, Kotak Mahindra Bank Limited
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.
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 Renounce(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the 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.
Bankers to the Company	IDFC First Bank Limited.
Bankers to the Issue / Escrow Collection Bank	[•]
Banker to the Issue Agreement	[•] entered into by and amongst our Company, the Registrar to the Issue, Advisors 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 131 of this 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 [•].
ECS	Electronic Clearing Service
Equity Shareholder(s)/ Shareholder(s)	The holders of Equity Shares of our Company.
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.

Term	Description
"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 Renounce(s).
ISIN	International Securities Identification Number
Issue / the Issue / this Issue / Rights Issue	Issue of upto fully paid up 40,00,000 Equity Shares with a face value of Rs. 10 each at a price of [●] per Equity Share aggregating up to Rs. 200.00 Lakhs on a rights basis to Eligible Shareholders in the ratio of 10 (Ten) fully paid up Rights Equity Shares for every 1 (One) fully paid-up Equity Share held on the Record Date i.e. [●].
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	[●]
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of upto fully paid up 40,00,000 Rights Equity Shares for an amount aggregating up to [●].
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/ Renounce 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 48 of this 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.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.

Term	Description
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 Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, 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	M/s Skyline Financial Services Pvt. Ltd.
Registrar Agreement	Agreement dated November 14, 2024 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.
Renounce(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 Renounce 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. Nil (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.
RE-ISIN	The RE-ISIN for Rights Entitlement being [●] RE-ISIN for Fully Paid-up shares being [●].
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;intmId=34">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>
Stock Exchange/ Stock Exchange(s)	BSE where the Equity Shares of our Company are presently listed being BSE.
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 Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### Business and Industry related Terms / Abbreviations

Term	Description
IT	Information technology
AI	Artificial intelligence

#### 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, 2020
CBIC	Central Board of Indirect Taxes and Customs
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India



Term	Description
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
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/GoI	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 Financial 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.

Term	Description
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
ISIN	International Securities Identification Number
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
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	The 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.
OPC	One Person Company
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

Term	Description
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
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 Exchange.

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 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 Draft Letter of Offer is derived from the Audited Financial Statements and Unaudited financial results along with the limited review report. For further information, refer chapter titled "Financial Statements" on page 103.

We have prepared our Audited/Unaudited Standalone Financial Statements 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 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 22 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 October 18, 2024	As on March 31, 2024	As on March 31, 2023	As on March, 31, 2022
1	U.S. Dollar	84.06	83.38	82.18	75.90

Source: [USD to INR Exchange Rate History for 2024 \(exchange-rates.org\)](https://www.exchange-rates.org/)



## 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:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- 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 21 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 or 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 Exchange.



## SECTION II - SUMMARY OF 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 22 of this Draft Letter of Offer.*

### 1. Summary of Business

Our AI Solutions Company is at the forefront of leveraging artificial intelligence to revolutionize digital content creation, marketing strategies, and business model innovations. We specialize in providing advanced tools and services that empower businesses to enhance their visual and written content, optimize their marketing efforts, and develop innovative AI-based business models.

#### Key Offerings:

##### 1. AI Image Creation:

- We offer state-of-the-art AI image generation tools that allow users to create high-quality visuals tailored to their specific needs. Utilizing deep learning algorithms, our platform can produce custom images, artwork, and graphics based on textual prompts, enabling businesses to enhance their branding and marketing materials efficiently.

##### 2. AI Content Writing:

- Our AI-driven content writing services generate engaging and coherent written material for various purposes, including blogs, articles, social media posts, and product descriptions. By analyzing trends and user preferences, our tools ensure that the content not only aligns with brand voice but also resonates with target audiences.

##### 3. AI-Based Marketing Solutions:

- We provide AI-enhanced marketing solutions that analyze consumer data to optimize campaigns and improve ROI. Our services include predictive analytics, customer segmentation, and personalized marketing strategies, enabling businesses to reach their audience more effectively and boost conversion rates.

##### 4. AI Business Model Innovation:

- We assist companies in identifying and implementing AI-based business models tailored to their industry. Our team conducts thorough market analyses to develop strategies that leverage AI for operational efficiency, customer engagement, and revenue generation, helping businesses stay competitive in an ever-evolving marketplace.

##### 5. Target Market:

Our target market includes small to medium-sized enterprises (SMEs), marketing agencies, e-commerce businesses, and content creators looking to enhance their operational capabilities through AI technology. We also collaborate with larger corporations seeking to innovate their processes and offerings.



#### 6. Value Proposition:

By integrating AI into their workflows, our clients can reduce costs, increase productivity, and achieve greater creative freedom. Our solutions are designed to be user-friendly, allowing businesses of all sizes to harness the power of AI without requiring extensive technical expertise.

#### 7. Revenue Model:

We operate on a subscription-based model, offering tiered pricing for our services to accommodate different business sizes and needs. Additionally, we provide custom solutions for clients seeking specialized applications of our technology.

#### 8. Conclusion:

For further details, refer chapter titled "Our Business" on page 79.

### Summary of Industry

#### AI-Powered Content Creation and Marketing.

The AI-powered content creation and marketing industry is rapidly evolving, driven by advancements in artificial intelligence and machine learning technologies. This sector encompasses a diverse range of services, including automated image generation, content writing, digital marketing, and the development of innovative business models. As businesses increasingly seek efficient and effective ways to engage their audiences, AI solutions are becoming integral to their strategies.

For further details, refer chapter titled "Our Industry" on page 60.

### 2. Objects of the Issue

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

**(Amount in thousands)**

Sr. No.	Particulars	Amounts*	% of gross proceeds	% of Net proceeds
1.	To meet out the Working Capital Requirements;	1,24,146	62.00	62.00
2.	Capital Expenditure in requirements for the purchase of laptops/servers/printers and other equipment's	33,360	17.00	17.00
3.	To meet General corporate purposes	42,494	21.00	21.00
	<b>Total</b>	<b>2,00,000</b>	<b>-</b>	<b>100.00</b>

*\*assuming full subscription and receipt of Call Monies.*

For further details, refer chapter titled "Objects of the Issue" on page 48.

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



The Promoters of our Company have, vide their letters dated November 14, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Further, the promoters have 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 48 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws.

#### 4. Auditor Qualifications

There are certain qualifications, reservations and adverse remarks made by our Statutory Auditors in their report to Audited standalone financial statements of the Company for the financial year 2023-24

For further details, refer chapter titled "Financial Statements" on page 103 and "Risk Factors" on page 22 of the Letter of Offer.

#### 5. Summary of outstanding litigations

Sr. No.	Outstanding Litigations	Amount (in thousands)
1.	Pending Litigations involving our 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 120 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 the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled "Risk Factors" beginning on page no. 22 of this Draft Letter of Offer.



## **7. Contingent liabilities**

For details of the contingent liabilities, as reported in the Audited Financial Statements, please refer to the section titled "Financial Statements" beginning on page 103 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 103 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.

## **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.



## 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 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

Operating in the dynamic and rapidly evolving AI industry involves several risk factors that Kairosoft AI Solutions Ltd. diligently manages to ensure sustainable growth and stability. These include:

##### 1. Technological Advancements:

The AI industry is characterized by rapid technological changes, and staying updated is essential. Failing to adapt to new developments or innovate could lead to obsolescence, making it vital for us to continually invest in R&D.

##### 2. Data Privacy and Security:

Handling sensitive data comes with the risk of data breaches and cybersecurity threats. We are committed to implementing robust data protection measures and complying with international privacy regulations to mitigate these risks.

##### 3. Regulatory Compliance:

As governments worldwide introduce stricter regulations around AI and data use, non-compliance could lead to legal penalties and damage to reputation. We actively monitor regulatory changes and ensure our solutions adhere to all applicable standards.

##### 4. Market Competition:

Intense competition from both established companies and new entrants could impact our market share. We address this by focusing on innovation, customer-centric solutions, and strategic partnerships to maintain a



competitive edge.

#### **5. Talent Acquisition and Retention:**

The success of our business relies on the expertise of skilled professionals. Difficulty in attracting or retaining top talent could hinder our ability to innovate and deliver quality solutions. We prioritize creating a supportive and growth-oriented work environment to attract and keep the best talent.

#### **6. Operational and Financial Risks:**

Fluctuations in the market, economic conditions, and client demand can pose operational and financial challenges. Effective financial management, strategic planning, and diversification of our client base help mitigate these risks.

#### **7. We do not own any of the properties from which we operate. If we are unable to renew our current leases or if we renew them on terms which are detrimental to our Company, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition**

We lease/license properties for our operations, comprising our Registered Office. There is no guarantee that these leases/licences will be renewed or extended once their term is Complete. If we are unable to renew or extend our current leases/licenses, or if we renew or extend them on terms which are detrimental to us, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition.

#### **8. Failure to continue investing in Research and Development (R&D) activity may harm our business growth.**

Our company is engaged in the business of providing various kinds of Artificial Intelligence to multiple business in India. With the rapid changes happening in the IT industry due to introduction of new technologies, softwares, hardwares or change in the government policies or regulations etc., it is essential for us to continue to invest in the research and development of our services to be aligned with the changing industry trends.

Considering the importance of R&D activities in our operations and business, we have been continuously investing in R&D and related activities. This requires an extensive amount of capital and human effort in addition to other resources. Although our company has not faced any issues till date, however, we cannot assure the potential investors that we shall be able to invest continuously or at all in R&D activities in coming years as we are presently doing. This may have an adverse effect on our growth and impact our business adversely.

#### **9. Significant disruptions in our information technology systems or breaches of data security could adversely affect our business and reputation.**

We provide AI based Marketing Solution, AI Business Model Innovation and AI Content Writing Services to business across India. Our business is dependent upon increasingly complex and interdependent IT system. The size, complexity and external location of our computer systems make them potentially vulnerable to breakdowns. Many of our services involves handling of confidential information and any breach of this information due to any cyber-security attacks including viruses, ransom ware and spam attacks. Our insurance coverage may not be adequate to cover all the costs related to cyber-security attacks or disruptions resulting from such events. Further, our financial, accounting, or other data processing systems may fail to operate adequately, or at all, because of events that are beyond our control, including a disruption of electrical or communications services in the markets in which we operate. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis.



**10. Our success depends substantially on the continuing services of our promoters, senior executives and other key highly skilled IT personnel.**

Our future success heavily depends upon the continued services of our promoters, senior IT executives and other key employees. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit, train and retain experienced, talented and skilled professionals. A significant increase in the attrition rate among skilled IT professionals with specialized skills could decrease our operating efficiency and productivity and could lead to a decline in demand for our services. If one or more of our senior IT executives or key employees are unable or unwilling to continue in their present positions, it could disrupt our business operations which could materially adversely affect our business, financial condition and results of operations, and we may not be able to replace them easily or at all. If any of our senior IT executives or key personnel joins a competitor or forms a competing company, we may lose customers, suppliers, know-how and key IT professionals and staff members to them which may materially and adversely affect our business, financial condition and results of operations.

**RISKS RELATING TO RIGHTS ISSUE**

**11. 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. Renounces 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 Renounces 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 Renounce will not be able to apply in this Rights Issue with respect to such Rights Entitlements.

**12. 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.

**13. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.**

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or





delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

**14. 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**

**15. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.**

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

**16. Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.**

The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers 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 the Indian economy in general.

Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India, which could adversely affect the Indian financial sector in



particular. Any such disruption could have an adverse effect on our Company's business, future financial performance, financial condition and results of operations, and affect the price of the Equity Shares. Accordingly, the price and liquidity of the Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

**17. Political instability or changes in the Government or Government policies could impact the liberalization of the Indian economy and adversely affect economic conditions in India generally.**

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

**18. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect our business, prospects, results of operations and financial condition.**

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade as well as the worldwide financial markets. The Asian region has from time-to-time experienced instances of civil unrest and hostilities among neighbouring countries which may persist and occur in the future. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the World, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

**19. Natural disasters and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and the trading price of our Equity Shares to decrease.**

Our operations, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance coverage for such liability may not be sufficient. Any of the above factors may adversely affect our business, our financial results and the price of our Equity Shares.

**20. Any future issuance of the Equity Shares may dilute your future shareholding and sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.**



Any future equity issuances by our Company may lead to dilution of your future shareholding in our Company. Any future equity issuances by our Company or sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Share. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Share. Except as otherwise stated in the Letter of Offer, there is no restriction on our Company's ability to issue the Securities or the relevant shareholders' ability to dispose of their Equity Share, and there can be no assurance that our Company will not issue Equity Share or that any such shareholder (including Promoters and Promoter Group) will not dispose of, encumber, or pledge its Securities.

**21. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.**

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 salaries, 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 pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates 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 GoI 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.



## 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 131 of this Draft Letter of Offer:

### Authority for the Issue

The Equity Shares in the present Issue are being offered pursuant a resolution passed by our Board at its meeting held on November 20, 2024 in accordance with the provisions of the Companies Act.

### Summary of the Issue

Rights Equity Shares to be Issued	Fully Paid up 40,00,000 Equity Shares
Rights Entitlement for Equity Shares	10 (Ten) Fully paid up Rights Equity Shares for every 1 (One) fully paid-up Equity Share held on the Record Date.
Record Date	[●]
Face value per Equity Share	Rs. 10 each
Issue Price per Rights Equity Share	[●]
Issue Size	Upto Rs. 2,00,000.00 Thousand
Equity Shares outstanding prior to the Issue	4,00,000 fully paid-up Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●] Equity Shares
ISIN and Symbol	<b>ISIN: INE820M01018, BSE Scrip Code: 506122</b>
ISIN for Right Entitlements	[●]
Terms of the Issue	For more information, please see the chapter titled "Terms of the Issue" beginning on page 139 of this Letter of Offer.
Use of Issue Proceeds	For more information, please see the chapter titled "Objects of the Issue" beginning on page 45 of this Letter of Offer.

For details in relation fractional entitlements, see "Terms of the Issue - Fractional Entitlements" beginning on page 139 of this Draft Letter of Offer.

### Terms of payment

Amount Payable per Right Equity Shares	Face Value (in Rs.)	Premium (in Rs.)	Total (in Rs.)
On the Issue application (i.e. along with the Application Form)	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
Total	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares



## SUMMARY OF FINANCIAL STATEMENTS

The summary financial information of our Company as derived from the Audited financial statement of our Company for the financial year ended on March 31, 2024 and Unaudited Standalone half year ended September 30, 2024 is reproduced below. Our summary financial information should be read in conjunction with the financial statements, results and the notes (including the significant accounting principles) thereto included in chapter titled “Financial Statements” beginning on page 103 of this Draft Letter of Offer.



**AUDITED STANDALONE BALANCE SHEET FOR THE PERIOD ENDING 31<sup>ST</sup> MARCH, 2024**

**PANKAJ PIYUSH TRADE AND INVESTMENT LIMITED**  
CIN- L22209DL1982PLC256291  
**BALANCE SHEET AS AT 31 MARCH 2024**

Particulars	Notes	[₹ In 000's]	
		As at 31 Mar 24	As at 31 Mar 23
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,603.87	2,735.98
<b>Financial assets</b>			
Investments	6	49.85	49.85
Loans	7	2,04,024.45	2,11,213.54
Other Financial Assets	8	16,902.64	-
Other non-current assets	9	27.50	35.50
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	10	-	20,594.27
Cash and cash equivalents	11	5,742.22	34,904.20
Current tax assets (net)		-	-
Other current assets	12	3,845.54	4,046.15
<b>Total Assets</b>		<b>2,33,196.07</b>	<b>2,73,659.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	4,000.00	4,000.00
Other equity	14	2,03,366.91	2,48,816.69
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	20,000.00	20,000.00
Deferred tax liabilities (Net)	16	167.39	167.39
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	2,000.00	500.00
Trade payables			
- Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	202.31	98.58
Other financial liabilities	19	2,942.88	76.83
Other current liabilities	20	516.58	-
<b>Total Equity and Liabilities</b>		<b>2,33,196.07</b>	<b>2,73,659.49</b>

Summary of material accounting policies and accompanying notes form an integral part of these financial statements.

1-42

This is the balance sheet referred to in our report of even date.



For Ajay Rattan & Co.  
Chartered Accountants  
(Firm Registration No.012063N)

CA. Arun Garg  
Member  
Membership No.: 523588  
UDIN: 24523588BK6YWP3302

Place : New Delhi  
Dated : 30/05/2024

For and on behalf of the Board of Directors of PANKAJ PIYUSH TRADE AND INVESTMENT LIMITED

Amit Grover  
DIRECTOR  
Managing Director  
DIN: 09768198

Sagar Khurana  
Executive Director  
DIN: 07691118



DIRECTOR

AUDITED STANDALONE STATEMENT OF PROFIT & LOSS AS ON 31<sup>ST</sup> MARCH, 2024

PANKAJ PIYUSH TRADE AND INVESTMENT LIMITED  
CIN- L22209DL1982PLC256291  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 MARCH 2024

Particulars	Notes	(₹ In 000's)	
		For the year ended 31 Mar 24	For the year ended 31 Mar 23
<b>REVENUE</b>			
Revenue from operations	21	-	37,458.96
Other income	22	18,011.18	-
<b>Total Revenue (I)</b>		<b>18,011.18</b>	<b>37,458.96</b>
<b>EXPENSES</b>			
Changes in inventories of stock in trade	23	-	34,141.80
Employee benefits expense	24	6,473.93	2,168.00
Depreciation expenses	3	132.10	139.54
Fees and Commission Exp		22.20	-
Impairment on Financial Asset		(49.11)	-
Other expenses	25	6,317.40	1,261.55
<b>Total expenses (II)</b>		<b>12,896.52</b>	<b>37,710.90</b>
<b>Profit/ (loss) before exceptional items and tax (I-II)</b>		<b>5,114.67</b>	<b>(251.94)</b>
Exceptional Items		50,564.45	-
<b>Profit before tax and after exceptional items</b>		<b>(45,449.78)</b>	<b>(251.94)</b>
<b>Tax expense</b>			
Current tax	26	-	252.01
Deferred tax		-	22.84
<b>Profit/ (loss) for the period (III)</b>		<b>(45,449.78)</b>	<b>(526.79)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Total Other Comprehensive Income (IV)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the period (III+IV)</b>		<b>(45,449.78)</b>	<b>(526.79)</b>
<b>Earning per equity share (EPS)</b>			
Basic (In ₹)	27	(113.62)	(1.32)
Diluted (In ₹)		(113.62)	(1.32)
Summary of material accounting policies and accompanying notes form an integral part of these financial statements.			1-42
This is the balance sheet referred to in our report of even date.			

For Ajay Rattan & Co.  
Chartered Accountants  
(Firm Registration No.012063N)  
  
CA. Varun Garg  
Partner  
Membership No.: 523583  
UDIN: 24523588 CK61WJP 3302  


Place : New Delhi  
Dated : 30/05/2024

For and on behalf of the Board of Directors of  
Pankaj Piyush Trade and Investment Limited  
  
Amit Grover  
Managing Director  
DIN: 09765198  
  
Sagar Khurana  
Executive Director  
DIN: 07691118  


AUDITED STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDING 31<sup>ST</sup> MARCH, 2024

PANKAJ PIYUSH TRADE AND INVESTMENT LIMITED  
CIN- L22209DL1982PLC256291  
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2024

Particulars	(₹ In 000's)	
	For the year ended 31 Mar 24	For the year ended 31 Mar 23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/ (loss) before tax and after exceptional items	(45,449.78)	(251.94)
Adjustments for items:-		
Interest received	32.46	-
Allowance for credit impaired/expected credit loss	-	(125.08)
Dividend received	-	-
Bad debts written off	-	-
Depreciation	132.10	139.54
Operating Profit before working capital changes	<b>(45,285.22)</b>	<b>(237.47)</b>
Working capital adjustments:-		
(Increase)/ decrease in inventories	-	34,141.80
(Increase)/ decrease in trade receivables	20,594.27	(20,162.77)
(Increase)/ decrease in other current assets	200.61	(541.39)
(Increase)/ decrease in Loans	7,189.09	11,647.15
(Increase)/ decrease in other Non current assets	8.00	(20.30)
(Increase)/ decrease in other financial assets	(16,902.64)	-
Increase/ (decrease) in Borrowings	-	500.00
Increase/ (decrease) in trade payables	103.73	(999.86)
Increase/ (decrease) in other financial liabilities	2,866.05	(174.64)
Increase/ (decrease) in other current liabilities	516.58	(109.50)
Cash generated from operations	<b>(30,709.51)</b>	<b>24,043.01</b>
Direct taxes paid	-	1,005.63
<b>Net cash flow from operating activities (A)</b>	<b>(30,709.51)</b>	<b>25,048.64</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Loan granted	-	-
Interest received	(32.46)	-
<b>Net cash flow from investing activities (B)</b>	<b>(32.46)</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	-	-
Net proceeds from borrowings	1,500.00	-
<b>Net cash flow from financing activities (C)</b>	<b>1,500.00</b>	<b>-</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>(29,241.97)</b>	<b>25,048.64</b>
Add: Opening cash and cash equivalents	34,984.20	9,935.56
<b>Closing cash and cash equivalents</b>	<b>5,742.23</b>	<b>34,984.20</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	373.45	3,636.50
Balance with banks	5,368.77	31,347.70
	<b>5,742.22</b>	<b>34,984.20</b>

Summary of material accounting policies and accompanying notes form an integral part of these financial statements.

1-42

This is the balance sheet referred to in our report of even date.

For Ajay Rattan & Co.  
Chartered Accountants  
(Firm Registration No. 011001)  
  
CA. Varun Garg  
Partner  
Membership No.: 523588  
UDIN: 245235882407133502

For and on behalf of the Board of Directors of Pankaj Piyush Trade and Investment Limited  
For PANKAJ PIYUSH TRADE AND INVESTMENT LIMITED

  
DIRECTOR

Amit Grover  
Managing Director  
DIN: 09765198

  
DIRECTOR

Sagar Khurana  
Executive Director  
DIN: 07691118

Place : New Delhi  
Dated : 30/05/2024





## LIMITED REVIEW REPORT



**Independent Auditor's Report on standalone Audited Financial Results for the Quarter and Year ended March 31, 2024 of Pankaj Piyush Trade and Investment Limited pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of Pankaj Piyush Trade and Investment Limited

**Qualified Opinion**

We have audited the accompanying Standalone Financial Results of **Pankaj Piyush Trade and Investment Limited** ("the Company") for the Quarter ended **March 31, 2024** and the year-to-date results from **April 1, 2023 to March 31, 2024** ("the statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("listing regulations").

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report**, the aforesaid financial statements:

- (i) is presented in accordance with the requirements listing regulations in this regard; and
- (ii) give a true and fair view in conformity with recognition and measurement principles laid down in applicable Indian accounting standards (Ind AS) and other accounting principles generally accepted in India, of the net profit including other comprehensive income and other financial information of the Company for the quarter ended March 31, 2024 as well as year-to-date results from April 1, 2023 to March 31, 2024.

**Basis for Qualified Opinion**

As per RBI circular dated 8 April 1999, in case of a company if the financial assets are more than 50% of its Total Assets (Netted off by Intangible asset) and income from Financial asset is more than 50% of Gross income of the company, the company should get itself registered as NBFC u/s 45-IA of Reserve Bank Of India, 1934.

**During the Financial Year ended March 2024, the company is satisfying both the criteria as mentioned in above RBI Circular but it has not registered itself as NBFC.**

We conducted our audit in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Standalone Ind AS 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 results under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 opinion.



H.O.: E-115, 11th Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001 (P) : 011-41511852-53 (E) : [ajay@ajayrattanco.com](mailto:ajay@ajayrattanco.com)  
B.O.: 1113, 11th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi-110001  
B.O.: House No. 14266, Street No. 2A, Ganesha Basti, Bathinda-151001, Punjab (P) : 9023637000 (E) : [varun@ajayrattanco.com](mailto:varun@ajayrattanco.com)  
Other Branches at : Gurugram, Noida & Chandigarh



#### **Management's Responsibilities for the Standalone Financial Statement**

These Quarterly and Annual Financial Results have been prepared on the basis of the Standalone Ind AS financial statements for the year ended March 31, 2024. The Company's Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are responsible for overseeing the financial reporting process.

#### **Auditor's Responsibilities for the Audit of Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the statement as a whole is 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 not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from a fraud or error and consider material, if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of statement.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of the accounting policies used and reasonableness of accounting estimates and related disclosures made by the Board of Directors.





**AJAY RATTAN & CO.**  
CHARTERED ACCOUNTANTS

- Conclude on the appropriateness of the Board of Directors' 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the financial results represent the underlying transactions and events in the manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the company to express an opinion on the financial results.

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.

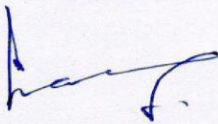
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year fancied March 31, 2024 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were- subjected to a limited review by us, as required under the Listing Regulations.

Our opinion is not modified in respect of the above matter.

**For Ajay Rattan & Co.,**  
Chartered Accountants,  
Firm Registration No. 012063N



**CA. Varun Garg**  
Partner  
Membership No. 523588  
UDIN: 24523588BKGYYVW4561



Place: New Delhi  
Date: 30-05-2024

## Unaudited Financial Statement of September 30, 2024

### STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30th SEPTEMBER, 2024

(Rs in Lakhs)

Particulars	Three Months Period Ended			Six Months Period Ended		Year Ended
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I Income</b>						
<b>Revenue From Operations:</b>						
(a) Sale of Fabric	-	-	-	-	-	-
Sale of share and securities	-	-	-	-	-	-
Interest Income	-	-	43.79	-	82.88	-
<b>Total revenue from operations</b>	-	-	<b>43.79</b>	-	<b>82.88</b>	-
(b) Other Income	44.30	45.90	0.50	90.20	0.50	180.11
<b>Total Income</b>	<b>44.30</b>	<b>45.90</b>	<b>44.29</b>	<b>90.20</b>	<b>83.38</b>	<b>180.11</b>
<b>II EXPENSES</b>						
Fees & Commission Expense	0.22	-	-	0.22	-	0.22
Impairment on Financial Assets( Loans)	0.54	15.86	2.05	16.39	2.05	(0.49)
Purchase of fabric	-	-	-	-	-	-
Purchase of Sahares and Securities	-	-	-	-	-	-
Changes in inventories of finished goods, WIP and stock-in-trade	-	-	-	-	-	-
Employee benefits expenses	9.05	5.63	7.40	14.68	14.60	64.74
Finance costs	-	-	-	-	-	-
Depreciation and amortisation expenses	0.31	0.31	0.33	0.63	0.66	1.32
Other expenses	1.34	5.34	2.53	6.69	6.86	63.17
<b>Total expenses</b>	<b>11.46</b>	<b>27.14</b>	<b>12.31</b>	<b>38.61</b>	<b>24.17</b>	<b>128.97</b>
<b>III Profit/(loss) before tax and Exceptional items</b>	<b>32.84</b>	<b>18.77</b>	<b>31.98</b>	<b>51.60</b>	<b>59.21</b>	<b>51.14</b>
Exceptional items	-	-	-	-	-	505.64
<b>Profit/(loss) after tax and Exceptional Items</b>	<b>32.84</b>	<b>18.77</b>	<b>31.98</b>	<b>51.60</b>	<b>59.21</b>	<b>(454.50)</b>
<b>IV Tax expense:</b>						
(1) Current tax	-	-	7.32	-	14.16	-
(2) Deferred tax	0.00	(4.09)	(2.74)	(4.09)	(2.46)	-
<b>Total tax expense</b>	<b>0.00</b>	<b>(4.09)</b>	<b>4.58</b>	<b>(4.09)</b>	<b>11.71</b>	<b>-</b>
<b>V Profit after tax (VII-VIII)</b>	<b>32.84</b>	<b>22.86</b>	<b>27.40</b>	<b>55.69</b>	<b>47.51</b>	<b>(454.50)</b>
<b>VI Other Comprehensive Income</b>						
A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>VII Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>32.84</b>	<b>22.86</b>	<b>27.40</b>	<b>55.69</b>	<b>47.51</b>	<b>(454.50)</b>
<b>VIII Paid up equity share capital (Face value Rs. 10/- per share)</b>	<b>40.00</b>	<b>40.00</b>	<b>40.00</b>	<b>40.00</b>	<b>40.00</b>	<b>40.00</b>
<b>IX Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,033.67</b>
<b>X Earnings per equity share (not annualised)</b>						
(1) Basic	8.21	5.72	6.85	13.92	11.88	(113.63)
(2) Diluted	8.21	5.72	6.85	13.92	11.88	(113.63)
See accompanying notes to the financial results						

#### Notes :

- These results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards Amendment) Rules, 2016 and other recognised accounting practices and policies to the extent applicable.
- The above unaudited financial results for the quarter ended on 30th September, 2024 have been reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 14th November, 2024.
- The statutory auditors have carried out limited review of the above results for the quarter ended September 30th, 2024. However, the management has exercised necessary due diligence to ensure that the financial results provided true and fair view of its affairs.
- Figures for the previous period have been regrouped wherever considered necessary so as to confirm to the classification of the current period.

For and on behalf of board of directors of  
Kairosoft AI Solutions Limited  
For KAISOFT AI SOLUTIONS LIMITED



CIN: L22209DL1982PLC256291, Website: www.pptinvestment.in

**UNAUDITED STATEMENT OF ASSETS AND LIABILITIES FOR THE HALF YEAR ENDED 30.09.2024**

PARTICULARS	<i>(Rs in Lakhs)</i>	
	As at (Current Half Year End) 30/09/2024	As at (Previous Year End) 31/03/2024
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	25.41	26.04
Investments	0.50	0.50
Loans	2,175.92	2,040.24
Other Financial Assets	168.59	169.03
Other Non-Current Assets	1.38	0.27
Deferred Tax Assets	2.42	-
<b>Total Non-Current Assets</b>	<b>2,374.22</b>	<b>2,236.08</b>
<b>Current Assets</b>		
Inventories	-	-
Financial Assets		
Trade Receivables	-	-
Cash & Cash Equivalents	37.10	57.42
Bank balances other than above		
Loans		
Loans		
Current Tax Assets (Net)		-
Other Current Assets	41.03	38.46
<b>Total Current Assets</b>	<b>78.13</b>	<b>95.88</b>
<b>Total Assets</b>	<b>2,452.35</b>	<b>2,331.96</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	40.00	40.00
Other Equity	2,089.36	2,033.67
<b>Total Equity</b>	<b>2,129.36</b>	<b>2,073.67</b>
<b>Non-Current Liabilities</b>		
Financial Liabilities		
Borrowings	200.00	200.00
Deferred Tax Liabilities (Net)	-	1.67
<b>Total Non-Current Liabilities</b>	<b>200.00</b>	<b>201.67</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings	115.05	20.00
Trade Payables	3.31	2.02
Other Financial Liabilities	3.94	29.43
Other Current Liabilities	0.68	5.17
<b>Total Current Liabilities</b>	<b>122.99</b>	<b>56.62</b>
<b>Total Liabilities</b>		
<b>Total Equity and Liabilities</b>	<b>2,452.35</b>	<b>2,331.96</b>

For and on behalf of board of directors of  
**Kairosoft AI Solutions Limited**  
For KAIROSOFT AI SOLUTIONS LIMITED

UNAUDITED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED ON 30TH SEPTEMBER 2024

(Rs in Lakhs)

Particulars	For the half year ended 30th September 2024	For the year ended 30th September 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/ (loss) before tax and after exceptional items	51.60	59.21
<u>Adjustments for non- cash/ other items: -</u>		
Derecognition of Financial Assets	-	-
Liability Written Back	-	-
Exchange Gain Difference	-	-
(Gain)/ Loss on sale of Investments	-	-
Interest received	-	(82.88)
Expected Credit Loss	-	-
Loss on de-recognition of financial asset	-	-
Interest on borrowing	-	-
Depreciation on property, plant & equipment	0.63	0.66
Operating Profit before working capital changes	52.23	(23.01)
<u>Working capital adjustments: -</u>		
(Increase)/ decrease in Inventories	-	-
(Increase)/ decrease in trade receivable	-	190.08
(Increase)/ decrease in other current assets	(2.57)	9.00
(Increase)/ decrease in other financial assets	0.44	-
(Increase)/ decrease in other Non current assets	(1.11)	(1.81)
(Increase)/ decrease in loans	(135.68)	(599.25)
Increase/ (decrease) in trade payables	1.29	1.47
Increase/ (decrease) in other financial liabilities	(25.49)	1.53
Increase/ (decrease) in other current liabilities	(4.49)	0.02
Cash generated from operations	(115.38)	(421.97)
Direct taxes paid	-	-
<b>Net cash flow from operating activities (A)</b>	<b>(115.38)</b>	<b>(421.97)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/ (Purchase) of property, plant & equipment	-	-
Sale/ (Purchase) of investments	-	-
Interest received	-	82.88
<b>Net cash flow from investing activities (B)</b>	<b>-</b>	<b>82.88</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest on borrowing	-	-
Net proceeds from borrowings	95.05	9.00
<b>Net cash flow from financing activities (C)</b>	<b>95.05</b>	<b>9.00</b>
Net cash flow during the year (A + B + C)	(20.33)	(330.09)
Add: Opening cash and cash equivalents	57.42	349.84
Closing cash and cash equivalents	37.10	19.75
<b>Components of cash and cash equivalents</b>		
Cash in hand	21.73	16.84
Balances with banks IN Current A/c	-	-
in current accounts	15.36	2.91
in fixed deposits	-	-
Less: Bank Overdraft	-	-
<b>Total cash and cash equivalents</b>	<b>37.10</b>	<b>19.75</b>



123, Vinobapuri, Lajpat Nagar - II  
New Delhi - 110 024  
Phones : Off. : 29830625, 29838501  
E-mail : sagarwal1910@gmail.com

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
KAIROSOFT AI SOLUTIONS LIMITED  
CIN: L22209DL1982PLC256291**

Dear Sir,

We have reviewed the accompanying statement of unaudited financial results of **KAIROSOFT AI SOLUTIONS LIMITED for the quarter and six month ended September 30, 2024**. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention except that:

**As per RBI Circular dated 8<sup>th</sup> April 1999, in case of a company if the financial assets are more than 50% of its total Assets (Netted off by intangible assets) and Income from the financial assets is more than 50% of Gross income of the company, the company should get itself registered as NBFC u/s 45-IA of Reserve Bank of India Act 1934.**

**During the Quarter ended September 2024, the company is satisfying both the criteria as mentioned in above RBI Circular but it has not registered itself as NBFC causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.**

For S. Agarwal & Co.  
Chartered Accountants  
(Firm Registration No. 000808N)

  
S. N. Agarwal  
Partner  
Membership Number: 012103  
UDIN: 24012103BKDHVC5534

Place of Signature: New Delhi  
Date: November 14, 2024





## GENERAL INFORMATION

Our Company was originally incorporated as Pankaj Piyush Trade and investment Limited" a company vide a certificate of incorporation dated May 29, 1982, issued by the Registrar of Companies, NCT of Delhi, under the provisions of the Companies Act, 1956., the name of our Company was changed to "kairosoft AI Solutions Limited".

### OFFICE(S) OF OUR COMPANY

#### REGISTERED OFFICE

KAIROSOFT AI SOLUTIONS LIMITED

(Formerly Known as Pankaj Piyush Trade and Investment Limited)

CIN: L22209DL1982PLC256291,

Email: [admin@kairosoft.ai](mailto:admin@kairosoft.ai),

Website- [www.kairosoft.ai](http://www.kairosoft.ai),

Mobile no.- 9818502247,

GST No.-07AABCP3140N2ZD.

Registered Office: DPT 612, DLF Prime Towers, Plot no 79-80, Okhla Industrial Phase 1, Delhi-110020

#### ADDRESS OF REGISTRAR OF COMPANIES

##### Registrar of Companies, Delhi

Address: 4<sup>th</sup> Floor, IFCI Tower, 6 Nehru Place, New Delhi-110019

Tel No.: 011-26235703

e-mail: [roc.delhi@mca.gov.in](mailto:roc.delhi@mca.gov.in)

#### CHANGES IN REGISTERED OFFICE

Our Company has shifted the Registered Office in last three years, the details of which are set out below:

Date of Change of Registered Office	Old Address	New Address	Reason for Change
12 <sup>th</sup> September, 2024	304, Building No. 61, Vijay Block, Laxmi Nagar Delhi-110092, East Delhi, India, 110092	DPT 612, DLF Prime Towers, Plot no 79-80, Okhla Industrial Phase 1, Delhi-110020	Due to administrative reasons
21 <sup>ST</sup> November, 2022	314, 3 <sup>rd</sup> Floor, Floor, Opposite Plot No. 39, R.G. Mall, Sector-9, Rohini, New Delhi-110085	Office no. 304, Building No. 61, Vijay Block, Laxmi Nagar, Delhi-110092	Due to administrative reasons

#### BOARD OF DIRECTORS OF OUR COMPANY

NAME	DESIGNATION	DIN	PAN	ADDRESS
Mr. Sagar Khurana	Managing Director	07691118	AUWPK2857 M	283/1 Near Milap Dawakhana, Jawahar Colony Sector 22, Faridabad-Haryana 121005





NAME	DESIGNATION	DIN	PAN	ADDRESS
Mr. Santosh Kumar Kushawaha	Executive Director	02994228	AQOPK3040N	395, 2nd Floor, 46, Near Vardhman Public School, Amarnagar, Faridabad, Haryana-121003.
Mr. Achal Kapoor	Independent Director	09150394	BEZPK5181A	H. No.126, New Gandhi Nagar, Ghaziabad, Uttar Pradesh-201001
Ms. Anupama Kashyap	Independent Director	09720124	BJIPK1134K	HOUSE NO 36, ARJUN NAGAR, RAMPUR, AMBALA CANTT AMBALA IND-ESTATE
Mr. Deva Ram	Non-Independent and Non-Executive Director	09003288	BRJPR5503C	s/o kheraj Ram, Dhanenya sewara ,jalor, Rajasthan -343041

For more details, please see the section titled "Our Management" on page 94 of this Draft Letter of Offer.

**COMPANY SECRETARY & COMPLIANCE OFFICER:**

Mr. BHAG CHAND SHARMA  
Farah gali, Pali bazar, Beawar 305901 Dist. Ajmer Rajasthan.  
Email: cs@volkai.io  
Website: www.kairosoft.ai  
Tel: +91-9818502247

*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 131 of this Draft Letter of Offer.*

**CHIEF FINANCIAL OFFICER**

**Mr. Raman Kumar**  
44A First Floor, Near Reliance fresh, Arjun Nagar, Safdarjung, South West Delhi-110029  
Email: Raman.kumar@Volkai.io  
Website: www.kairosoft.ai  
Tel: +91- 7011517475

**ADVISOR TO THE ISSUE**

Not Applicable

**REGISTRAR TO THE ISSUE**

**Skyline Financial Services Private Limited**



D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110020.

Tel No.: 011-26812682.

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

E-mail ID: [admin@skylinerta.com](mailto:admin@skylinerta.com) / [info@skylinerta.com](mailto:info@skylinerta.com)

Contact Person: Mr. Anuj Rana

SEBI Registration No: INR000003241

#### STATUTORY AUDITORS

M/s. S Agarwal & Co.

Chartered Accountants

123, Vinobapuri, Lajpat Nagar II, New Delhi-110024

Email: [sagarwal1910@gmail.com](mailto:sagarwal1910@gmail.com)

Phone: 011- 29830625/ 29838501

Contact Person: Mr. S. N Agarwal, Partner

#### INTERNAL AUDITORS

Jain Rajeev & Associates, Chartered Accountants

#### SECRETARIAL AUDITORS

Sumit Bajaj & Associates

804, Arunanchal Complex, Barakhamba Road, Delhi, 110001

Email: [cssumitbajaj@gmail.com](mailto:cssumitbajaj@gmail.com)

Phone: 9717897098

#### EXPERT OPINION

Our Company has not obtained any expert opinion.

#### BANKER TO THE ISSUE AND REFUND BANK

##### ICICI Bank Limited

18/20 C.P. Street, Jeevan Jyoti Bldg, Fort Area, Mumbai, Maharashtra 400023

Telephone No.:

Email id: [corporatecare@icicibank.com](mailto:corporatecare@icicibank.com)

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

SEBI Registration No: INZ000183631

#### 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 to meet out the Working Capital Requirements, Capital Expenditure in requirements for the purchase of laptops/servers/printers and other equipment's and to meet General corporate purposes.

However, our promotor has indicated that they will not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirements of minimum subscription are applicable to the issue.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "Terms of the Issue" on page 131 of this Draft Letter of Offer.

### **FILLING OF THIS 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 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 Exchange 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 Exchange.



## 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:

Issue Opening Date	[●]
Last Date of Market renunciation of rights entitlements*	[●]
Issue Closing Date**	[●]

\*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 Renounces on or prior to the Issue Closing Date.

\*\*Our Board or the Rights Issue Committee, duly constituted and authorized by the Board of Directors, 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 131 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 [www.skylinerta.com](http://www.skylinerta.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 131 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.

## CAPITAL STRUCTURE

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

(Rs. in Thousands, except the shares data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	2,10,00,000 Authorised Share Capital divided into:	2,10,000.00	-
	- 1,90,00,000 (one crore ninety lac) Equity Shares of Rs. 10/-	1,90,000.00	
	- 20,00,000 (Twenty lacs) Preference Shares of Rs. 10/-	20,000.00	
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE</b>		
	4,00,000 Equity Shares of Rs. 10 each	4,000.00	-
	(20,00,000) 6% Non-Cumulative Compulsory Redeemable Preference Shares of 10 each fully	20,000.00	
<b>C.</b>	<b>PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS 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</b>		
	Upto [●] Equity Shares of face value of Rs. 10 each fully paid up		[●]
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue	Rs. 1,80,000.00 Thousand	
	After the Issue		[●]

(1) The Issue has been authorized by a resolution of our Board passed at its meeting held on November 20, 2024 pursuant to Section 62 of the Companies Act, 2013.

(2) Assuming full subscription for and allotment of the Rights Entitlement.

### Notes to the Capital Structure:

- Our Company does not have any employee stock option scheme or employee stock purchase scheme.
- As on the date of this draft Letter of Offer, there are no outstanding Warrants which provides the right to convert the warrants into Equity Shares.

### 3. 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 September 30, 2024 are set forth hereunder:

Sr. No.	Name of 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.	Vinod Kumar Bansal	Promoter	60,000	15%	-	-	-	-

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

4. None of our Promoter or Promoter Group have acquired any securities in the last one year, immediately preceding the date of filing of this Draft Letter of Offer.

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

The Promoters of our Company is intended to participate in the Right Issue indicated that they will subscribe fully to their portion of right entitlement and that do not renounce their rights except to the extent of renunciation within the promoter group. Further, the promoters have confirmed that they 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 48 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares

- 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.
- 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.
- The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is [●].
- The details of the shareholders holding more than 1% of the share capital of the Company as on September 30, 2024 are as under:



Sr. No.	Name of Shareholders	No. of Equity Shares held	% of total share capital
1	Vinod Kumar Bansal	60,000	15.00%
2	Guttikonda Vara Lakshmi	49,081	12.27%
3	Niranjan Manjunath Nayak	22,169	5.54%
4	Deepon Vishnuprasad Patel	12349	3.09
5	Yogesh Agarwal	10000	2.50
6	Heema Agarwal	10000	2.50
7	Usha Sharma	8471	2.12
8	Koteswara Rao Gopisetty	8277	2.07
9	Kanai Banerjee	6836	1.71
10	Guttikonda Rajasekhar	6295	1.57
11	Kailashben Ashokkumar Patel	6000	1.50
12	Nivedita Niranjan Nayak	5297	1.32
13	Lalita Rajendra Dhole	5000	1.25
14	Kanta Devi Samdaria	4360	1.09
15	Praveen Arora .	4156	1.04
16	Sanjay Kumar Sonthalia	4000	1.00
17	Deepon Vishnuprasad Patel	12349	3.09

## 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 September 30, 2024 can be accessed on the website of the BSE respectively at [Kairosoft Ai Solutions Ltd Shareholding Pattern, Volkai SHP, | BSE \(bseindia.com\)](#)

The statement showing the holding of Equity Shares of persons belonging to the category “Promoter and Promoters Group” as on September 30, 2024 can be accessed on the website of the BSE at [Shareholding Pattern \(bseindia.com\)](#)

The Statement of showing the details of shares pledged, encumbrance by promoters and promoter group as on September 30, 2024 can be accessed on the website of the BSE at [Kairosoft Ai Solutions Ltd Shareholding Pattern, Volkai SHP, | BSE \(bseindia.com\)](#)



## SECTION V-PARTICULARS OF THE ISSUE OBJECTS OF THE ISSUE

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

1. To meet out the Working Capital Requirements;
2. Capital Expenditure in requirements for the purchase of laptops/servers/printers and other equipment's
3. To meet General corporate purposes;

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 object's clause of our Memorandum of Association.

### Utilization of Net Proceeds

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

(Rs. In Thousands)

Sr. No.	Particulars	Amounts*
1)	Gross Proceeds	2,00,000.00
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 utilize the Net Proceeds from the Issue, in the manner set below:

(Rs. In Thousands)

S. No.	Particulars	Amounts*	% of gross proceeds	% of Net
1.	To meet out the Working Capital Requirements;	1,24,146.00	[●]*	[●]*
2.	Capital Expenditure in requirements for the	33,360.00	[●]*	[●]*
3.	To meet General corporate purposes	42,494.00	[●]*	[●]*
	<b>Total</b>	<b>2,00,000.00</b>	-	<b>100.00</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 Thousands)

Sr. No.	Particulars	Amount Proposed to be Deployed from Issue Proceeds*	Estimated Schedule of Deployment of Net Proceeds*
			FY 2024-25
1.	To meet out the Working Capital	1,24,146.00	1,24,146.00





Sr. No.	Particulars	Amount Proposed to be Deployed from Issue Proceeds*	Estimated Schedule of Deployment of Net Proceeds*
			FY 2024-25
	Requirements;		
2.	Capital Expenditure in requirements for the purchase of laptops/servers/printers and other equipment's	33,360.00	33,360.00
3.	To meet General corporate purposes	42,494.00	[●]*
	<b>Total</b>	<b>2,00,000.00</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

The fund requirements set out below are proposed to be funded from the Net Proceeds and internal accruals. We confirm that there are no requirements to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

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.

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 22 of this Draft Letter of offer.

## DETAILS OF THE OBJECTS

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

### 1. TO MEET OUT THE WORKING CAPITAL REQUIREMENTS.

With the expansion of the business activity, the Company will be in need of additional working capital requirements which are based on our management estimations of the future business plan for the FY 2024-25. The major capital will be invested in procuring of the raw materials, trade receivables and maintaining inventory and reducing trade payables cycles. The funding of the working capital requirements of our Company is expected to lead to a consequent increase in our profitability. As on March 31, 2024, the outstanding amount under the fund based working capital facilities of our Company was Rs. 1,24,146.00 Thousands and non-fund based working capital facility is Nil.

(Rs. In thousands)

Sr.No.	Particulars	31.03.2022	31.03.2023	31.03.2024	31.03.2025
		Audited	Audited	Audited	Estimated
<b>A.</b>	<b>Current Assets</b>				
	Inventories	3,4,141.80	-	-	-
	Trade Receivable	431.50	20,594.27	-	-
	Cash and Cash Equivalents	9,935.56	34,984.20	5,742.22	35,637.22
	Current tax assets (Net)	1,257.64	-	-	-
	Other Current Assets	3,504.76	4,046.15	3,845.54	1,03,845.54
	<b>Total Current Assets</b>	<b>45,766.50</b>	<b>59,624.62</b>	<b>9,587.76</b>	<b>1,39,482.76</b>
<b>B.</b>	<b>Current Liabilities</b>				
	Borrowings	-	500.00	2,000.00	-
	Trade payable	1,098.44	98.58	202.31	11,876.81
	Other financial liabilities	251.47	76.83	2,942.88	2,942.88
	Other Current liabilities	109.50	-	516.58	516.58
	<b>Total Current Liabilities</b>	<b>1,459.41</b>	<b>675.41</b>	<b>5,661.77</b>	<b>15,336.27</b>
<b>C.</b>	<b>Working Capital Gap (A-B)</b>	<b>44,307.09</b>	<b>58,949.21</b>	<b>3,925.99</b>	<b>1,24,146.49</b>
<b>D.</b>	<b>Owned Funds /Internal Accruals</b>	<b>44,307.09</b>	<b>58,949.21</b>	<b>3,925.99</b>	<b>-</b>
<b>E.</b>	<b>Bank Borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F.</b>	<b>Working Capital funding through Issue Proceeds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,24,146.49</b>

As per our estimates we would require upto Rs. 1,24,146.49 Thousands out of the issue proceeds to meet the working capital requirements.

#### Assumption for Working Capital Requirement

##### □ Sales Growth Rate

It is assumed that the company will experience an annual sales growth rate of X%, driven by the expansion of our AI solutions and services portfolio. This growth is expected to increase both our accounts receivable and inventory levels.

##### □ Accounts Receivable (Days Sales Outstanding)

Based on historical performance and industry standards, we assume that our average collection period will be Y days for receivables. This means that the company expects to receive payment for goods and services provided within this time frame after invoicing.

##### Accounts Payable (Days Payables Outstanding)

In alignment with industry practices, we expect to pay our suppliers within A days of receiving goods or services. This assumption helps balance cash flow and optimize the cash conversion cycle.

#### Justification for utilization of Working Capital requirement for financial year 2024-25:



We have estimated Rs. 66,300.00 thousand turnovers during the Financial Year 2024-25 & Calculated the Working capital requirement as per standard holding levels of the industry and the Company. Accordingly, we need additional working capital funds for expansion of business.

Assuming full subscription and Allotment of the Rights Equity Shares in the Issue, our Company proposes to utilize upto Rs. 1,24,146.00 thousand from the Net Proceeds towards funding our working capital requirements and to meet general corporate requirements.

## 2. CAPITAL EXPENDITURE IN REQUIREMENTS FOR THE PURCHASE OF LAPTOPS AND OTHER EQUIPMENTS

### Capital Expenditures

We assume that capital expenditures (CapEx) will be incurred primarily for **Intangible assests under development and Office Equipment's**. Investments in R&D and expansion of AI infrastructure will be budgeted and managed according to strategic priorities.

Our company intends to deploy ₹333.60 Lakhs out of net proceeds in towards Investment in Infrastructure Technology to be used by our estimated employee over a span of 2 years. This introduction will revamp the existing system and will allow us to improve our day-to-day functioning, particularly in customer support. The bifurcation of ₹333.60 lakhs shall be as follows:

*Note: Our company has received quotations from vendor for respective products details of which are mentioned herein below. The quotation is valid on the date of DRHP. Furthermore, in case of any increase in the price of the quotation the incremental amount shall be funded by the company through internal accruals*

(Amount in Lakhs)

MGRAAF ENTERPRISES PRIVATE LIMITED					
Regd.office Building No 35-36, Shop No 107 Aggarwal Bhawan, Nehru Place, New Delhi, South East Delhi, Delhi, 110019					
Sr. No.	Items and Description	Quantity	Price/Unit	Amount	Quotation Date
1.	<b>Office Desktop</b> INTEL CORE I9 14900K ASUS Z790 WIFI MOTHER BOARD 32GB RAM CL30 PREDATOR 1TB SN850X WD RTX 4080 SUPER GRAPHICS CARD 850W PSU SUPER FLOWER 80 PLUS GOLD COOLER MASTER MB600 ARCTIC LIQUID FREZEER III RGB	8	2.20	17.60	November 18, 2024
2	<b>Office Desktop</b> AMD Ryzen Thread Ripper 7970X 32-Core, 64-Thread Processor ASUS MOTHERBOARD TRX 50 64GB ECC DDR5 RAM 2TB NVME SAMSUNG 990 PRO. 1.9TB SSD ENTERPRISE SAMSUNG RTX 4070TI SUPER ASUS TUFF 16GB	1	5.78	5.78	October 07, 2024

	ASUS PA 602 CABINET 1000W 80 PLUS PLATINUM SUPER FLOWER THERMALTAKE TOUGH LIQUID 360 ARGB				
3	<b>Office Printer</b> Canon IRC 3326 with Dadf	1	1.42	1.42	November 18, 2024
4	<b>Desktop Accessories</b>				
	INTEL CORE I9 13900K	1	0.49	1.50	September 19, 2024
	GIGABYTE Z790 UD AX	1	0.23		
	128GB RAM CL30 6000MHZ PREDATOR	1	0.42		
	2TB NVME GEN PREDATOR 7300mbs	1	0.15		
	ANTEC AX 90 CABINET	1	0.06		
	ANTEC 750W GOLD	1	0.06		
	VOTEX 360ML LIQUID COOLER	1	0.10		
	INTEL CORE I9 13900K	1	0.49		
<b>ACQUIRE ENTERPRISES</b>					
Regd. Office : Plot no.-812, K-Block, Mangol Puri, Delhi-83					
5	<b>Office Furniture's</b>				
	LINEAR WORKSTATION	8	0.16	1.28	November 20, 2024
	Pedestal	8	0.045	0.36	
	Office Table	4	0.21	0.84	
	Wardrobes, storage	1	2.60	2.60	
	Executive Chair (geeken boss )	16	0.09	1.44	
	Boss Chair (geeken boss )	4	0.12	0.48	
	Sofa (Acquire Catalogue Model Number AOS-647)	1	0.32	0.32	

### 3. TO MEET GENERAL CORPORATE PURPOSES.

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 Rs. 42,494.00 Thousand 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 Net 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 available under this head and the business requirements of our Company, from time to time.

### ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar 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. [●].

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

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

The funds deployed up to November 14, 2024 pursuant to the object of this Issue as certified by the Auditors of our Company, viz. M/s. S Agarwal & Co., Chartered Accountants pursuant to their certificate dated November 14, 2024 is given below:



Deployment of funds	Amount (Rs. In thousands)
Issue Related Expenses	[•]
Objects Related Expenses	[•]
<b>Total</b>	[•]

Sources of funds	Amount (Rs. In thousands)
Internal Accruals	[•]
Bank Finance	[•]
<b>Total</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 utilization 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. 10,00,000 thousand, 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 Exchange 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 Promoters 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



**s. agarwal & co.**  
CHARTERED ACCOUNTANTS

123, Vinobapuri, Lajpat Nagar - II  
New Delhi - 110 024  
Phones : Off. : 29830625, 29838501  
E-mail : sagarwal1910@gmail.com

REF NO. 0011/14112024

### STATEMENT OF TAX BENEFITS

Date: 14-11-2024

To,

The Board of Directors,  
Kairosoft AI Solutions Limited  
DPT- 612, F-79& 80,  
DLF PRIME TOWERS, OKHLA INDUSTRIAL ESTATE  
NEW DELHI- 110020, INDIA

**Subject: Proposed Rights Issue of equity shares with a Face value of Rs. 10/- each by kairosoft AI Solutions Limited (the "Company") (the "Issue")**

We have been requested by the company to issue a report on the special tax benefits (referred to as "statement") available to the company and its shareholders attached for inclusion in the Draft offer letter in connection with the proposed issue of the equity shares of the company. The statement has been prepared by the management of the company and stamped by us for identification purposes only.

We report that the enclosed statement in **Annexure-A** showing the current position of tax benefits available to the Company and the shareholders of the Company as per the provisions of Income Tax Act, 1961 for the assessment year AY 2025-2026 relevant to the financial year (FY) 2024-2025 for inclusion in the Draft Offer Letter. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the Shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Income Tax law.

The benefits discussed in the enclosed annexure are not exhaustive. This 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 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 public issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- I) The company or its shareholders will continue to obtain these benefits in future; or
- II) The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the company and on the basis of our understanding of the business activities and operations of the company.

The Statement is intended solely for the information and inclusion in the Draft Offer Letter in connection with the proposed issues of equity shares of the Company and is not to be used, referred to, or distributed for any other purpose, without our prior consent, provided the below statement of





limitation is included in the Draft Offer Letter.

**Limitation:**

Our views expressed herein are based on the facts and assumptions indicated to us. Our views are based on the existing provisions of Income Tax laws 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.

We hereby give consent to include this statement of tax benefits in the Draft Offer Letter and in any other material used in connection with the public issue.

**Yours Sincerely,**

**For S Agarwal & Co**  
Chartered Accountants  
FRN.: 000808N



**CA S.N Agarwal**  
Partner  
M No : 012103  
Place : New Delhi  
Date: November 14, 2024  
UDIN: 24012103BKDHVE2282



Enclosed as above

Annexure – A

**STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-Tax Act, 1961 ("the Act") as amended and presently in force in India (together, the "Direct Tax laws").

**A. Special tax benefits available to the company under various acts.**

Lower corporate tax rate under section 115BAA Section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act 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 Act. However, such a company will no longer be eligible to avail specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of specified incentives provided under section 115BAA and unabsorbed depreciation on account of additional depreciation.

**I. Lower corporate tax rate under section 115BAA of the act**

A new section 115BAA has been inserted in the act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act 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 act.

However, such a company will no longer be eligible to avail specified exemptions/ incentives under the act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has not opted for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) till FY 2023-2024. However the company plans to opt for the same in future financial years.

**B. Special direct tax benefits available to the shareholders**



1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the act would be available on fulfilling the conditions. Further, in case of shareholders who are individuals, hindu undivided family, association of persons, body of individuals, whether incorporated or not, surcharge would be restricted to 15%, irrespective of the amount of dividend.
2. As per section 112A of the act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) 12.5% w.e.f July 23, 2024 of such capital gains subject to fulfilment of prescribed conditions under the act as well. It is worthwhile to note that tax shall be levied where such capital gains exceed ₹ 1,00,000 ₹ 1,25,000 w.e.f July 23, 2024

In case of non-resident (not being a company) or a foreign company, the amount of income-tax on long-term capital gains arising from the transfer of a capital asset (being unlisted securities or shares of a company not being a company in which the public are substantially interested) shall be calculated at the rate of 10.00%, 12.5% w.e.f July 23, 2024 without giving effect to the first and second proviso to section 48.

Further, where the tax payable is payable in respect of any income arising from the transfer of a long-term capital asset, being listed securities (other than a unit) or zero-coupon bond, then such income will be subject to tax at the rate of 10.00%, 12.5% w.e.f July 23, 2024 of the amount of capital gains before giving effect to the provisions of the second proviso to section 48.

3. As per section 111A of the act, short-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% (20% w.e.f July 23, 2024) subject to fulfilment of prescribed conditions under the act.

Except for the above, the shareholders of the company are not entitled to any other special tax benefits under the direct tax laws.

**Notes:**

- A. The above statement of direct tax benefits ("statement") sets out the special tax benefits available to the company and its shareholders under the direct tax laws.
- B. This 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, 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 issue.
- C. This statement does not discuss any tax consequences in the country outside india of an investment in the shares. The subscribers of the shares in the country other than india are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
- D. In respect of non-residents, the tax rates and the consequent taxation mentioned above may be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between india and the country in which the non-resident has fiscal domicile.
- E. The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.

Our views expressed in this statement are based on the facts and assumptions as indicated in this statement. 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 law and its interpretation, which





## 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 Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" on pages 22 and 103, 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 22 of this Draft Letter of Offer.

### GLOBAL PROSPECTS AND POLICIES

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies – where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 – will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now – at 3.1 percent – is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. Chapter 2 explains that changes in mortgage and housing markets over the pre-pandemic decade of low interest rates moderated the near-term impact of policy rate hikes. Chapter 3 focuses on medium-term prospects and shows that the lower predicted growth in output per person stems, notably, from persistent structural frictions preventing capital and labor from moving to productive firms. Chapter 4 further indicates how dimmer prospects for growth in China and other large emerging market economies will weigh on trading partners.

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and – where wage and price pressures are clearly dissipating – adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

### Forces Shaping the Outlook

The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply-side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

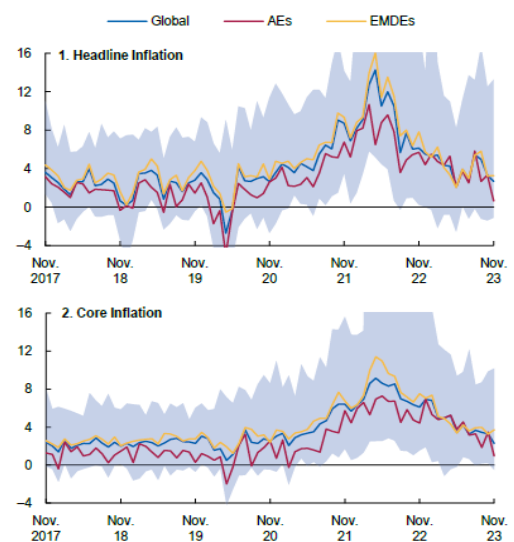
Growth resilient in major economies. Economic growth is estimated to have been stronger than expected in the second half of 2023 in the United States, and several major emerging market and developing economies. In several cases, government and private spending contributed to the upswing, with real disposable income gains supporting consumption amid still-tight—though easing—labor markets and households drawing down on their accumulated pandemic-era savings. A supply-side expansion also took hold, with a broad-based increase in labor force participation, resolution of pandemic-era supply chain problems, and declining delivery times. The rising momentum was not felt everywhere, with notably subdued growth in the euro area, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive manufacturing and business investment. Low-income economies continue to experience large output losses compared with their prepandemic (2017–19) paths amid elevated borrowing costs.

### Inflation subsiding faster than expected.

Amid favorable global supply developments, inflation has been falling faster than expected, with recent monthly readings near the prepandemic average for both headline and underlying (core) inflation (Figure 1). Global headline inflation in the fourth quarter of 2023 is estimated to have been about 0.3 percentage point lower than predicted in the October 2023 WEO on a quarter-over-quarter seasonally adjusted basis. Diminished inflation reflects the fading of relative price shocks—notably those to energy prices—and their associated pass-through to core inflation.<sup>1</sup> The decline also reflects an easing in labor market tightness, with a decline in job vacancies, a modest rise in unemployment, and greater labor supply, in some cases associated with a strong inflow of immigrants. Wage growth has generally remained contained, with wage-price spirals—in which prices and wages accelerate together—not taking hold. Near-term inflation expectations have fallen in major economies, with long-term expectations remaining anchored.

High borrowing costs cooling demand. To reduce inflation, major central banks raised policy interest rates to restrictive levels in 2023, resulting in high mortgage costs, challenges for firms refinancing their debt, tighter credit availability, and weaker business and residential investment. Commercial real estate has been especially under pressure, with higher borrowing costs compounding postpandemic structural changes. But with

**Figure 1. Global Inflation: Rise and Fall**  
(Month-over-month annualized percent change, seasonally adjusted)



Sources: Haver Analytics; and IMF staff calculations.  
Note: The figure plots the median of a sample of 57 economies that accounts for 78 percent of World Economic Outlook world GDP (in weighted purchasing-power-parity terms) in 2023. Vertical axes are cut off at –4 percent and 16 percent. The bands depict the 10th to 90th percentiles of inflation across economies. "Core inflation" is the percent change in the consumer price index for goods and services, excluding food and energy (or the closest available measure). AEs = advanced economies, EMDEs = emerging market and developing economies.



*inflation easing, market expectations that future policy rates will decline have contributed to a reduction in longer-term interest rates and rising equity markets (Box 1). Still, long-term borrowing costs remain high in both advanced and emerging market and developing economies, partly because government debt has been rising. In addition, central banks' policy rate decisions are becoming increasingly asynchronous. In some countries with falling inflation—including Brazil and Chile, where central banks tightened policy earlier than in other countries—interest rates have been declining since the second half of 2023. In China, where inflation has been near zero, the central bank has eased monetary policy. The Bank of Japan has kept short-term interest rates near zero.*

*Fiscal policy amplifying economic divergences.* Governments in advanced economies eased fiscal policy in 2023. The United States, where GDP had already exceeded its pre-pandemic path, eased policy more than did euro area and other economies in which the recovery was incomplete. In emerging market and developing economies, in which output has on average fallen even further below the pre-pandemic trend, on average the fiscal stance is estimated to have been neutral. The exceptions include Brazil and Russia, where fiscal policy eased in 2023. In low-income countries, liquidity squeezes and the elevated cost of interest payments—averaging 13 percent of general government revenues, about double the level 15 years ago—crowded out necessary investments, hampering the recovery of large output losses compared with pre-pandemic trends. In 2024, the fiscal policy stance is expected to tighten in several advanced and emerging market and developing economies to rebuild budgetary room for maneuver and curb the rising path of debt, and this shift is expected to slow growth in the near term.

### **Inflation Outlook: Steady Decline to Target**

Global headline inflation is expected to fall from an estimated 6.8 percent in 2023 (annual average) to 5.8 percent in 2024 and 4.4 percent in 2025. The global forecast is unrevised for 2024 compared with October 2023 projections and revised down by 0.2 percentage point for 2025. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0 percentage points in 2024 to 2.6 percent, than are emerging market and developing economies, where inflation is projected to decline by just 0.3 percentage point to 8.1 percent. The forecast is revised down for both 2024 and 2025 for advanced economies, while it is revised up for 2024 for emerging market and developing economies, mainly on account of Argentina where the realignment of relative prices and elimination of legacy price controls, past currency depreciation, and the related pass-through into prices is expected to increase inflation in the near term. The drivers of declining inflation differ by country but generally reflect lower core inflation as a result of still-tight monetary policies, a related softening in labor markets, and pass-through effects from earlier and ongoing declines in relative energy prices.

Overall, about 80 percent of the world's economies are expected to see lower annual average headline and core inflation in 2024. Among economies with an inflation target, headline inflation is projected to be 0.6 percentage point above target for the median economy by the fourth quarter of 2024, down from an estimated gap of 1.7 percentage points at the end of 2023. Most of these economies are expected to reach their targets (or target range midpoints) by 2025. In several major economies, the downward revision to the projected path of inflation, combined with a modest upgrade to economic activity, implies a softer-than-expected landing.

## WORLD ECONOMIC OUTLOOK UPDATE, JANUARY 2024

Table 1. Overview of the World Economic Outlook Projections  
(Percent change, unless noted otherwise)

	Year over Year								
	Estimate		Projections		Difference from October 2023		Q4 over Q4 2/		
	2022	2023	2024	2025	2024	2025	2023	2024	2025
<b>World Output</b>	3.5	3.1	3.1	3.2	0.2	0.0	3.1	3.1	3.1
<b>Advanced Economies</b>	2.6	1.6	1.5	1.8	0.1	0.0	1.6	1.6	1.7
United States	1.9	2.5	2.1	1.7	0.6	-0.1	2.9	1.5	1.9
Euro Area	3.4	0.5	0.9	1.7	-0.3	-0.1	0.2	1.5	1.6
Germany	1.8	-0.3	0.5	1.6	-0.4	-0.4	-0.1	1.1	1.9
France	2.5	0.8	1.0	1.7	-0.3	-0.1	0.6	1.4	1.8
Italy	3.7	0.7	0.7	1.1	0.0	0.1	0.2	1.3	1.0
Spain	5.8	2.4	1.5	2.1	-0.2	0.0	1.5	1.8	2.1
Japan	1.0	1.9	0.9	0.8	-0.1	0.2	1.4	1.6	0.5
United Kingdom	4.3	0.5	0.6	1.6	0.0	-0.4	0.9	0.6	1.8
Canada	3.8	1.1	1.4	2.3	-0.2	-0.1	1.1	1.9	2.2
Other Advanced Economies 3/	2.7	1.7	2.1	2.5	-0.1	0.2	1.5	2.6	2.0
<b>Emerging Market and Developing Economies</b>	4.1	4.1	4.1	4.2	0.1	0.1	4.3	4.3	4.1
Emerging and Developing Asia	4.5	5.4	5.2	4.8	0.4	-0.1	5.2	5.5	4.7
China	3.0	5.2	4.6	4.1	0.4	0.0	5.4	4.4	4.0
India 4/	7.2	6.7	6.5	6.5	0.2	0.2	5.0	7.8	6.7
Emerging and Developing Europe	1.2	2.7	2.8	2.5	0.6	0.0	4.1	2.0	2.9
Russia	-1.2	3.0	2.6	1.1	1.5	0.1	4.4	1.4	1.0
Latin America and the Caribbean	4.2	2.5	1.9	2.5	-0.4	0.1	2.2	1.7	2.6
Brazil	3.0	3.1	1.7	1.9	0.2	0.0	2.3	2.6	1.4
Mexico	3.9	3.4	2.7	1.5	0.6	0.0	3.4	1.9	1.4
Middle East and Central Asia	5.5	2.0	2.9	4.2	-0.5	0.3	...	...	...
Saudi Arabia	8.7	-1.1	2.7	5.5	-1.3	1.3	-4.5	2.8	5.4
Sub-Saharan Africa	4.0	3.3	3.8	4.1	-0.2	0.0	...	...	...
Nigeria	3.3	2.8	3.0	3.1	-0.1	0.0	2.7	3.3	2.9
South Africa	1.9	0.6	1.0	1.3	-0.8	-0.3	1.0	1.2	1.3
<b>Memorandum</b>									
World Growth Based on Market Exchange Rates	3.0	2.7	2.6	2.7	0.2	0.0	2.7	2.5	2.6
European Union	3.6	0.6	1.2	1.9	-0.3	-0.2	0.7	1.4	2.3
ASEAN-5 5/	5.5	4.2	4.7	4.4	0.2	-0.1	4.1	5.2	3.5
Middle East and North Africa	5.6	2.0	2.9	4.2	-0.5	0.3	...	...	...
Emerging Market and Middle-Income Economies	4.0	4.2	4.0	4.0	0.1	0.0	4.3	4.3	4.1
Low-income Developing Countries	5.2	4.0	5.0	5.6	-0.1	0.0	...	...	...
World Trade Volume (goods and services) 6/	5.2	0.4	3.3	3.6	-0.2	-0.1	...	...	...
Advanced Economies	6.1	0.3	2.6	3.2	-0.4	-0.1	...	...	...
Emerging Market and Developing Economies	3.7	0.6	4.5	4.4	0.2	0.0	...	...	...
<b>Commodity Prices</b>									
Oil 7/	39.2	-16.0	-2.3	-4.8	-1.6	0.1	-2.8	-6.1	-4.9
Nontel (average based on world commodity import)	7.9	-6.1	-0.9	-0.4	1.8	-0.3	-2.0	1.5	0.2
World Consumer Prices 8/	8.7	6.8	5.8	4.4	0.0	-0.2	6.0	5.3	3.8
Advanced Economies 9/	7.3	4.6	2.6	2.0	-0.4	-0.2	3.1	2.3	2.0
Emerging Market and Developing Economies 8/	9.8	8.4	8.1	6.0	0.3	-0.2	8.4	7.7	5.2

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 30–November 27, 2023. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

1/ Difference based on rounded figures for the current and October 2023 WEO forecasts. Countries for which forecasts have been updated relative to October 2023 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (80 percent) of annual world (emerging market and developing economies') output at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and projections are presented on a fiscal year (FY) basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.7 percent in 2024 and 6.8 percent in 2025 based on calendar year.

5/ Indonesia, Malaysia, Philippines, Singapore, Thailand.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of November 29, 2023), is \$79.0 in 2024 and \$75.3 in 2025.

8/ Excludes Venezuela.

9/ The assumed inflation rate for the euro area is 2.8% in 2024 and 2.6% in 2025, that for Japan is 2.7% in 2024 and 2.0% in 2025, and that for the United States is 2.2% in 2024 and 1.9% in 2025.

## Risks to the Outlook



With the likelihood of a hard landing receding as adverse supply shocks unwind, risks to the global outlook are broadly balanced. There is scope for further upside surprises to global growth, although other potential factors pull the distribution of risks in the opposite direction.

*Upside risks.* Stronger global growth than expected could arise from several sources:

- *Faster disinflation:* In the near term, the risk that inflation will fall faster than expected could again become a reality, with stronger-than-expected pass-through from lower fuel prices, further downward shifts in the ratio of vacancies to unemployed persons, and a compression of profit margins to absorb past cost increases. Combined with a decline in inflation expectations, such developments could allow central banks to move forward with their policy-easing plans and could also contribute to improving business, consumer, and financial market sentiment, as well as raising growth.
- *Slower-than-assumed withdrawal of fiscal support:* Governments in major economies might withdraw fiscal policy support more slowly than necessary and then assumed during 2024–25, implying higher-than-projected global growth in the near term. However, such delays could in some cases exacerbate inflation and, with elevated public debt, result in higher borrowing costs and a more disruptive policy adjustment, with a negative impact on global growth later on.
- *Faster economic recovery in China:* Additional property sector-related reforms—including faster restructuring of insolvent property developers while protecting home buyers’ interests—or larger-than-expected fiscal support could boost consumer confidence, bolster private demand, and generate positive cross-border growth spillovers.
- *Artificial intelligence and supply-side reforms:* Over the medium term, artificial intelligence could boost workers’ productivity and incomes, although this would depend on countries’ harnessing the potential of artificial intelligence. Advanced economies may experience benefits from artificial intelligence sooner than emerging market and developing economies, largely because their employment structures are more focused on cognitive-intensive roles.<sup>2</sup> For emerging market and developing economies with constrained policy environments, faster progress on implementing supply-enhancing reforms could result in greater-than-expected domestic and foreign investment and productivity and faster convergence to higher income levels.

*Downside risks.* Several adverse risks to global growth remain plausible:

- *Commodity price spikes amid geopolitical and weather shocks:* The conflict in Gaza and Israel could escalate further into the wider region, which produces about 35 percent of the world’s oil exports and 14 percent of its gas exports. Continued attacks in the Red Sea—through which 11 percent of global trade flows—and the ongoing war in Ukraine risk generating fresh adverse supply shocks to the global recovery, with spikes in food, energy, and transportation costs. Container shipping costs have already sharply increased, and the situation in the Middle East remains volatile. Further geoeconomic fragmentation could also constrain the cross-border flow of commodities, causing additional price volatility. More extreme weather shocks, including floods and drought, could, together with the El Niño phenomenon, also cause food price spikes, exacerbate food insecurity, and jeopardize the global disinflation process.
- *Persistence of core inflation, requiring a tighter monetary policy stance:* A slower-than-expected decline in core inflation in major economies due, for example, to persistent labor market tightness and renewed tensions in supply chains could trigger a rise in interest rate expectations and a fall in asset prices, as in early 2023. Such developments could increase financial stability risks, tighten global financial conditions, trigger flight-to-safety capital flows, and strengthen the US dollar, with adverse consequences for trade and growth.
- *Faltering of growth in China:* Absent a comprehensive restructuring policy package for the troubled property sector, real estate investment could drop more than expected, and for longer, with negative implications for



domestic growth and trading partners. Unintended fiscal tightening in response to local government financing constraints is also possible, as is reduced household consumption in a context of subdued confidence.

- **Disruptive turn to fiscal consolidation:** Fiscal consolidation is necessary in many economies to deal with rising debt ratios. But an excessively sharp shift to tax hikes and spending cuts, beyond what is envisaged, could result in slower-than-expected growth in the near term. Adverse market reactions could pressure some countries that lack a credible medium-term consolidation plan or face a risk of debt distress to undertake harsh adjustments. In low-income countries and emerging market economies, the risk of debt distress remains elevated, constraining scope for necessary growth-enhancing investments.

**Selected Economies Real GDP Growth**  
(Percent change)

	Estimate		Projections		Difference from October 2023 WEO Projections 1/	
	2022	2023	2024	2025	2024	2025
Argentina	5.0	-1.1	-2.8	5.0	-5.6	1.7
Australia	3.8	1.8	1.4	2.1	0.2	0.1
Brazil	3.0	3.1	1.7	1.9	0.2	0.0
Canada	3.8	1.1	1.4	2.3	-0.2	-0.1
China	3.0	5.2	4.6	4.1	0.4	0.0
Egypt 2/	6.7	3.8	3.0	4.7	-0.6	-0.3
France	2.5	0.8	1.0	1.7	-0.3	-0.1
Germany	1.8	-0.3	0.5	1.6	-0.4	-0.4
India 2/	7.2	6.7	6.5	6.5	0.2	0.2
Indonesia	5.3	5.0	5.0	5.0	0.0	0.0
Iran 2/	3.8	5.4	3.7	3.2	1.2	1.2
Italy	3.7	0.7	0.7	1.1	0.0	0.1
Japan	1.0	1.9	0.9	0.8	-0.1	0.2
Kazakhstan	3.3	4.8	3.1	5.7	-1.1	1.1
Korea	2.6	1.4	2.3	2.3	0.1	0.0
Malaysia	8.7	4.0	4.3	4.4	0.0	0.0
Mexico	3.9	3.4	2.7	1.5	0.6	0.0
Netherlands	4.3	0.2	0.7	1.3	-0.4	-0.2
Nigeria	3.3	2.8	3.0	3.1	-0.1	0.0
Pakistan 2/	6.2	-0.2	2.0	3.5	-0.5	-0.1
Philippines	7.6	5.3	6.0	6.1	0.1	0.0
Poland	5.3	0.6	2.8	3.2	0.5	-0.2
Russia	-1.2	3.0	2.6	1.1	1.5	0.1
Saudi Arabia	8.7	-1.1	2.7	5.5	-1.3	1.3
South Africa	1.9	0.6	1.0	1.3	-0.8	-0.3
Spain	5.8	2.4	1.5	2.1	-0.2	0.0
Thailand	2.6	2.5	4.4	2.0	1.2	-1.1
Türkiye	5.5	4.0	3.1	3.2	0.1	0.0
United Kingdom	4.3	0.5	0.6	1.6	0.0	-0.4
United States	1.9	2.5	2.1	1.7	0.6	-0.1

Source: International Monetary Fund, World Economic Outlook, January 2024 Update.  
Note: The selected economies account for approximately 83 percent of world output.  
1/ Difference based on rounded figures for the current and October 2023 WEO forecasts.  
2/ Data and forecasts are presented on a fiscal year basis.

(Source: <https://www.imf.org/en/publications/weo>)

## Indian Economy Overview

### Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the



top three exported commodity. Rising employment and 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 rationalization 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. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. 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.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

### Market size

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024. Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 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 same time period. India's current account deficit (CAD) narrowed to 1.2% of GDP in the October-December quarter. The CAD stood at US\$ 10.5 billion for the third quarter of 2023-24 compared to US\$ 11.4 billion or 1.3% of GDP in the preceding quarter. This was largely due to higher service exports.

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 Minister of Commerce and





Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, 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.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).
- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

### 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, is 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:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).



- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of 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 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 IT companies and start-ups in both countries.
- India and Namibia entered 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 (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- 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 July 11, 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 ground-breaking 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, and 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 bio capsule, an encapsulation technology for bio-fertilization on June 30, 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).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- 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 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- 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, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- 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 trillion (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. 2,500 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 trillion (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 trillion (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 the 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, 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 FY23; it is expected to raise Rs. 4 trillion (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

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

(Source: [Artificial Intelligence \[AI\] Market Size, Share, Growth Report 2032 fortunebusinessinsights.com](https://www.fortunebusinessinsights.com))

## AI Industry

The global artificial intelligence (AI) market size was valued at USD 515.31 billion in 2023 and is projected to grow from USD 621.19 billion in 2024 to USD 2,740.46 billion by 2032, exhibiting a CAGR of 20.4% during the forecast period. North America dominated the global AI market with a share of 41.23% in 2023.

Artificial intelligence is the simulation of human intelligence processes using various machines by means of creating intelligent software and hardware capable of replicating human behavior such as learning and problem-solving. The report covers AI-based solutions such as AWS Chatbots, OpenAI Codex, and Azure AI, and others.

The global AI market is set to grow drastically with the surge in artificial intelligence applications, increased number of relevant partnerships and collaborations, rise in small-scale AI providers, changing complexities of business structure, and hyper-personalized service demands. Additionally, government initiatives and investments in AI technologies for enterprises and end users create benefits.

The pandemic crisis changed the way businesses operated and increased business complexities. In order to adopt these changes, companies shifted their work processes on cloud. This surged the adoption of advanced technologies such as AI, machine learning, and others.





The healthcare sector was among the early adopters of this technology which improved the accuracy and efficiency of diagnosis, treatments, and forecasting. For instance,

According to the January 2022 study report, researchers at the Regenstrief Institute and Indiana University found that machine learning (ML) models could support public health decision-making during the pandemic

#### **RECENT DEVELOPMENTS IN THE AI MARKET:**

February 2023 - IBM Corporation acquired StepZen Inc, a GraphQL server development company. This server is inbuilt with a unique architecture which allows developers to build GraphQL APIs easily and with less code.

February 2023 - Google launched Bard, their newest AI chatbot service driven by the LaMDA (Language Model for Dialogue Applications). However, the CEO announced that the platform would only be restricted to test users before publicly available.

February 2023 - Aurora Mobile Limited is the new ecosystem partner of Ernie Bot. With this, the company will access the chatbot and apply Baidu's intelligent dialogue technology in its marketing technology and customer engagement services.

January 2023 - Microsoft Corporation and OpenAI extend their partnership, intending to accelerate AI developments and provide advanced solutions to their customers. The evolution of the partnership enables both companies to commercialize the resulting advanced AI technologies independently.

January 2023 - Walmart, a U.S.-headquartered retail giant, partnered with software company Salesforce to offer pickup and delivery services for retailers. This partnership will provide a personalized customer experience using AI and real-time data.



## **Industry Summary: AI-Powered Content Creation and Marketing**

### **Overview:**

The AI-powered content creation and marketing industry is rapidly evolving, driven by advancements in artificial intelligence and machine learning technologies. This sector encompasses a diverse range of services, including automated image generation, content writing, digital marketing, and the development of innovative business models. As businesses increasingly seek efficient and effective ways to engage their audiences, AI solutions are becoming integral to their strategies.

### **Key Segments:**

#### **1. AI Image Creation:**

The market for AI-generated images is expanding as businesses seek unique visuals to enhance branding and marketing efforts. Tools that utilize generative adversarial networks (GANs) and other AI techniques enable users to create high-quality images tailored to specific needs, thus saving time and resources.

#### **2. AI Content Writing:**

AI content writing tools leverage natural language processing (NLP) to generate written material that is coherent, engaging, and relevant. These tools are gaining traction among marketers, bloggers, and businesses looking to streamline their content production while maintaining quality and consistency.

#### **3. Digital Marketing Automation:**

The integration of AI into marketing strategies has transformed how businesses engage with consumers. AI-driven marketing solutions analyze vast amounts of data to provide insights on customer behavior, optimize ad campaigns, and personalize user experiences, leading to improved engagement and conversion rates.

#### **4. AI-Based Business Models:**

As businesses embrace digital transformation, AI-based business models are becoming essential for staying competitive. Companies are exploring subscription models, freemium services, and data-driven strategies that leverage AI for enhanced customer insights and operational efficiencies.

### **Market Trends:**

#### **Increased Demand for Personalization:**

Businesses are prioritizing personalized marketing efforts, and AI tools that analyze consumer data to tailor content and offers are in high demand.

#### **Growth of Remote Work:**

The rise of remote work has accelerated the adoption of AI solutions that enhance productivity and streamline workflows, particularly in content creation and marketing.

#### **Cost Efficiency and Scalability:**

AI tools enable businesses to scale their marketing efforts and content production without a proportional increase in costs, making them attractive for companies of all sizes.

#### **Emerging Startups and Innovations:**



The landscape is populated by startups and established firms innovating continuously to enhance AI capabilities in creative fields, leading to a dynamic and competitive market.

### **Challenges:**

#### **Quality Control:**

While AI can produce content quickly, maintaining high quality and relevance remains a challenge. Businesses must balance automation with human oversight.

#### **Ethical Considerations:**

The use of AI in content creation raises ethical questions about originality, bias, and accountability, necessitating industry standards and guidelines.

#### **Integration with Existing Systems:**

Companies often face challenges in integrating AI tools with their existing workflows and systems, which can hinder adoption and effectiveness.

#### **Conclusion:**

The AI-powered content creation and marketing industry is poised for significant growth as more businesses recognize the value of leveraging AI technologies to enhance creativity, efficiency, and customer engagement. With continuous advancements and a focus on personalization and data-driven strategies, this industry is set to redefine how organizations create, distribute, and market their content.

### **Further about AI Industry**

The analysis carried out for this report gauges the economic potential for AI between now and 2030, including for regional economies and eight commercial sectors worldwide. Through our AI Impact Index, we also look at how improvements to personalisation/customisation, quality and functionality could boost value, choice and demand across nearly 300 use cases of AI, along with how quickly transformation and disruption are likely to take hold. Other key elements of the research include in-depth sector by-sector analyses. In this opening report, we outline the regional economies that are set to gain the most and the three business areas with the greatest AI potential in each of eight sectors. Future reports will focus on specific sectors, along with functional areas such as marketing, finance and talent management. We'll also be setting out the detailed economic projections and, in partnership with Forbes magazine, publishing interviews with some of the business leaders at the forefront of AI.

What comes through strongly from all the analysis we've carried out for this report is just how big a game changer AI is likely to be, and how much value potential is up for grabs. AI could contribute up to \$15.7 trillion<sup>1</sup> to the global economy in 2030, more than the current output of China and India combined. Of this, \$6.6 trillion is likely to come from increased productivity and \$9.1 trillion is likely to come from consumption side effects. While some markets, sectors and individual businesses are more advanced than others, AI is still at a very early stage of development overall. From a macroeconomic point of view, there are therefore opportunities for emerging markets to leapfrog more developed counterparts. And within your business sector, one of today's start-ups or a business that hasn't even been founded yet could be the market leader in ten years' time.

### **How much is at stake and why should you take action?**

From the personal assistants in our mobile phones, to the profiling, customisation, and cyber protection that lie behind more and more of our commercial interactions, AI touches almost every aspect of our lives. And it's only just getting started. Big prize, big impact: Why AI matters AI touches almost every aspect of our lives. And it's only



just getting started. According to our analysis, global GDP will be up to 14% higher in 2030 as a result of the accelerating development and take-up of AI – the equivalent of an additional \$15.7 trillion.

The economic impact of AI will be driven by: 1. Productivity gains from businesses automating processes (including use of robots and autonomous vehicles). 2. Productivity gains from businesses augmenting their existing labour force with AI technologies (assisted and augmented intelligence). 3. Increased consumer demand resulting from the availability of personalised and/or higher-quality AI-enhanced products and services.

### AI Affecting Different industries

Healthcare Three areas with the biggest AI potential

- Supporting diagnosis in areas such as detecting small variations from the baseline in patients' health data or comparison with similar patients.
- Early identification of potential pandemics and tracking incidence of the disease to help prevent and contain its spread.
- Imaging diagnostics (radiology, pathology). Consumer benefits Faster and more accurate diagnoses and more personalised treatment in the short and medium term, which would pave the way for longer term breakthroughs in areas such as intelligent implants. Ultimate benefits are improved health and lives saved. Time saved More effective prevention helps reduce the risk of illness and hospitalisation.

In turn, faster detection and diagnosis would allow for earlier intervention. Timing Ready to go: Medical insurance and smarter scheduling (e.g. appointments and operations). Medium-term potential: Data-driven diagnostics and virtual drug development. Longer-term potential: Robot doctors carrying out diagnosis and treatment. Barriers to overcome It would be necessary to address concerns over the privacy and protection of sensitive health data. The complexity of human biology and the need for further technological development also mean that some of the more advanced applications may take time to reach their potential and gain acceptance from patients, healthcare providers and regulators. High potential use case: Data-based diagnostic support AI-powered diagnostics use the patient's unique history as a baseline against which small deviations flag a possible health condition in need of further investigation and treatment. AI is initially likely to be adopted as an aid, rather than replacement, for human physicians. It will augment physicians' diagnoses, but in the process also provide valuable insights for the AI to learn continuously and improve. This continuous interaction between human physicians and the AI-powered diagnostics will enhance the accuracy of the systems and, over time, provide enough confidence for humans to delegate the task entirely to the AI system to operate autonomously

Automotive Three areas with the biggest AI potential

- Autonomous fleets for ride sharing.
- Semi-autonomous features such as driver assist.
- Engine monitoring and predictive, autonomous maintenance. Consumer benefit A machine to drive you around and 'on-demand' flexibility – for example a small model to get you through a city or a bigger and more powerful vehicle to go away in for the weekend.

Time saved The average American spends nearly 300 hours a year driving<sup>4</sup> – think what you could with that time if you didn't have to spend it behind the wheel. Timing Ready to go: Automated driver assistance systems (e.g. parking assist, lane centring, adaptive cruise control etc.). Medium-term potential: On-demand parts manufacturing and maintenance. Longer-term potential: Engine monitoring and predictive, autonomous maintenance. Barriers to overcome Technology still needs development – having an autonomous vehicle perform safely under extreme weather conditions might prove more challenging. Even if the technology is in place, it would need to gain consumer trust and regulatory acceptance. High potential use case: Autonomous fleets for ride sharing Autonomous fleets would enable travellers to access the vehicle they need at that point, rather than having



to make do with what they have or pay for insurance and maintenance on a car that sits in the drive for much of the time. Most of the necessary data is available and technology is advancing. However, businesses still need to win consumer trust.

**Financial services** Three areas with the biggest AI potential

- Personalised financial planning.
- Fraud detection and anti-money laundering.
- Process automation – not just back office functions, but customer facing operations as well. Consumer benefit More customised and holistic (e.g. health, wealth and retirement) solutions, which make money work harder (e.g. channelling surplus funds into investment plans) and adapt as consumer needs change (e.g. change in income or new baby).

**Timing** Ready to go: Robo-advice, automated insurance underwriting and robotic process automation in areas such as finance and compliance. Medium-term potential: Optimised product design based on consumer sentiment and preferences. Longer-term potential: Moving from anticipating what will happen and when in areas such as an insurable loss (predictive analytics) to proactively shaping the outcome (prescriptive analytics) in areas such as reduced accident rates or improved consumer outcomes. Time saved The information customers need to fully understand financial position and plan for the future is at their fingertips and adapts to changing circumstances.

**Retail** Three areas with the biggest AI potential • Personalised design and production. • Anticipating customer demand – for example, retailers are beginning to use deep learning to predict customers' orders in advance. • Inventory and delivery management. Consumer benefit On-demand customisation as the norm and greater availability of what you want, when and how you want it. **Timing** Ready to go: Product recommendation base on preferences. Medium-term potential: Fully customised products. Longer-term potential: Products that anticipate demand from market signals. Time saved Less time exploring shelves, catalogues and websites to find the product that you want. Barriers to overcome Adapting design and production to this more agile and tailored approach. Businesses also need to strengthen trust over data usage and protection. High potential use case: Personalised design and production Instead of being produced uniformly, apparels and consumables can be tailored on demand. If we look at fashion and clothing as an example, we could eventually move to fully interactive and customised design and supply in which AI created mock-ups of garments are sold online, made in small batches using automated production, and subsequent changes are made to design based on user feedback.

**Technology, communications and entertainment** Three areas with the biggest AI potential

- Media archiving and search – bringing together diffuse content for recommendation.
- Customised content creation (marketing, film, music, etc.).
- Personalised marketing and advertising. Consumer benefit Increasingly personalised content generation, recommendation and supply. **Timing** Ready to go: Content recommendation for consumers. Medium-term potential: Automated telemarketing capable of holding a real conversation with the customer. Longer-term potential: Use-case specific and individualised AI-created content.

**Time saved** Quicker and easier for consumers to choose what they want, reflecting their preferences and mood at the time. Barriers to overcome Cutting through the noise when there is so much data, much of it unstructured. High potential use case: Media archiving and search We already have personalised content recommendation within the entertainment sector. Yet there is now so much existing and newly generated (e.g. online video) content that it can be difficult to tag, recommend and monetise. AI offers more efficient options for classification and archiving of this huge vault of assets, paving the way for more precise targeting and increased revenue generation.

**Manufacturing** Three areas with the biggest AI potential

- Enhanced monitoring and auto-correction of manufacturing processes.



- Supply chain and production optimisation.
- On-demand production. Consumer benefit Indirect benefits from more flexible, responsive and custom-made manufacturing of goods, with fewer delays, fewer defects and faster delivery. Timing Ready to go: Greater automation of a large number of production processes.

Medium-term potential: Intelligent automation in areas ranging from supply chain optimisation to more predictive scheduling. Longer-term potential: Using prescriptive analytics in product design – solving problems and shaping outcomes, rather than simply predicting and responding to demand in product design. AI will facilitate more seamless integration of supply chain data, enabling anticipatory production and more efficient delivery of products to customers. Time saved Faster response and fewer delays. Barriers to overcome Making the most of supply chain and production opportunities requires all parties to have the necessary technology and be ready to collaborate. Only the biggest and best-resourced suppliers and manufacturers are up to speed at present. High potential use case: Enhanced monitoring and auto-correction Self-learning monitoring makes the manufacturing process more predictable and controllable, reducing costly delays, defects or deviation from product specifications. There is huge amount of data available right through the manufacturing process, which allows for intelligent monitoring

Energy Three areas with the biggest AI potential

- Smart metering – real-time information on energy usage, helping to reduce bills.
- More efficient grid operation and storage.
- Predictive infrastructure maintenance. Consumer benefit More efficient and cost-effective supply and usage of energy. Timing Ready to go: Smart metering. Medium-term potential: Optimised power management. Longer-term potential:

More efficient and consistent renewable energy supply in areas such as improved prediction and optimisation of wind power. Time saved More secure supply and fewer outages. Barriers to overcome Technological development and high investment requirements in some of the more advanced areas. High potential use case: Smart meters Smart meters help customers tailor their energy consumption and reduce costs. Greater usage would also open up a massive source of data, which could pave the way for more customised tariffs and more efficient supply.

Transport and logistics Three areas with the biggest AI potential

- Autonomous trucking and delivery.
- Traffic control and reduced congestion.
- Enhanced security. Consumer benefit Greater flexibility, customisation and choice in how goods and people move around and the ability to get from A to B faster and more reliably. Timing Ready to go: Automated picking in warehouses.

Medium-term potential: Traffic control. Longer-term potential: Autonomous trucking and delivery. Time saved Smart scheduling, fewer traffic jams and real-time route adjustment to speed up transport. Barriers to overcome Technology for autonomous fleets is still in development. High potential use case: Traffic control and reduced congestion Autonomous trucking reduces costs by allowing for increased asset utilisation as 24/7 runtimes are possible. Moreover, the whole business model of transport & logistics (T&L) might be disrupted by new market entrants such as truck manufacturers offering T&L and large online retailers vertically integrating their T&L.

Source: <https://www.pwc.com/gx/en/issues/analytics/assets/pwc-ai-analysis-sizing-the-prize-report.pdf>



## 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 section titled "Risk Factors" on page 22, 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 103 and 107, 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 Audited Standalone Financial Statements.*

## OVERVIEW

Our Company was originally incorporated as "Pankaj Piyush Trade and Investment Limited" a Public limited company vide a certificate of incorporation dated May 29, 1983, issued by the Registrar of Companies, NCT of Delhi, Over the years, the company has undergone significant transformations to align with its strategic goals. On August 20, 2024, it was renamed "Kairosoft AI Solutions Limited" reflecting its core focus.

We believe in innovation meets efficiency in the world of content creation. Our diverse suite of AI tools is designed to empower creators, developers, and businesses by streamlining the content creation process across multiple domains. At Kairosoft, we specialize in cutting-edge solutions that cover every aspect of content generation, from advanced text and code generation to pioneering visual and voice technologies. Whether you're crafting compelling narratives, coding innovative software, designing striking visuals, or producing dynamic voice content, our AI tools are engineered to enhance your creativity and productivity. Our mission is to transform the way content is created, making it faster, smarter, and more accessible to everyone. With a focus on delivering high-quality, user-friendly tools, Kairosoft is committed to helping you bring your ideas to life with unparalleled efficiency and precision.

Our AI Solutions Company is at the forefront of leveraging artificial intelligence to revolutionize digital content creation, marketing strategies, and business model innovations. We specialize in providing advanced tools and services that empower businesses to enhance their visual and written content, optimize their marketing efforts, and develop innovative AI-based business models.

### Key Offerings:

#### 1. AI Image Creation:

We offer state-of-the-art AI image generation tools that allow users to create high-quality visuals tailored to their specific needs. Utilizing deep learning algorithms, our platform can produce custom images, artwork, and graphics based on textual prompts, enabling businesses to enhance their branding and marketing materials efficiently.

#### 2. AI Content Writing:

Our AI-driven content writing services generate engaging and coherent written material for various purposes, including blogs, articles, social media posts, and product descriptions. By analyzing trends and user preferences, our tools ensure that the content not only aligns with brand voice but also resonates with target audiences.

#### 3. AI-Based Marketing Solutions:



We provide AI-enhanced marketing solutions that analyze consumer data to optimize campaigns and improve ROI. Our services include predictive analytics, customer segmentation, and personalized marketing strategies, enabling businesses to reach their audience more effectively and boost conversion rates.

#### **4. AI Business Model Innovation:**

We assist companies in identifying and implementing AI-based business models tailored to their industry. Our team conducts thorough market analyses to develop strategies that leverage AI for operational efficiency, customer engagement, and revenue generation, helping businesses stay competitive in an ever-evolving marketplace.

Our AI Solutions Company stands as a leader in the digital transformation of content creation and marketing. By utilizing advanced artificial intelligence technologies, we empower businesses to unlock new levels of creativity, efficiency, and profitability.

#### **Our Vision:**

At Kairosoft, we envision a future where artificial intelligence plays a pivotal role in the creative process, allowing individuals and organizations to bring their ideas to life with unprecedented ease and precision. We aim to be at the forefront of this transformation, continually evolving our tools and services to meet the needs of our clients.

#### **Core Elements of Our Vision:**

##### **1. Empowering Creativity:**

- We envision a future where artificial intelligence serves as a collaborative partner for creators, enabling them to produce stunning visuals and compelling narratives effortlessly. Our tools will inspire creativity, allowing users to explore new possibilities and push the boundaries of their imagination.

##### **2. Enhancing Efficiency:**

- Our goal is to streamline the content creation process, making it faster and more efficient without compromising quality. By automating repetitive tasks and providing intelligent insights, we aim to free up time for marketers and content creators, allowing them to focus on strategy and innovation.

##### **3. Driving Personalization:**

- We believe in the power of personalization to create meaningful connections between brands and their audiences. Our AI solutions will harness data to deliver tailored experiences that resonate with consumers, fostering deeper engagement and loyalty.

##### **4. Championing Ethical AI**

- We are committed to developing AI technologies that prioritize ethical standards, transparency, and inclusivity. Our vision includes creating tools that are fair, unbiased, and accessible to all, ensuring that AI serves as a force for good in society.

##### **5. Fostering Collaboration:**





- We aim to cultivate a collaborative ecosystem where businesses, creators, and AI work together harmoniously. By integrating our technologies into diverse industries, we envision a future where innovation flourishes through collaboration and shared knowledge.

#### 6. Adapting to Change:

- In a rapidly evolving digital landscape, we strive to be agile and forward-thinking. Our vision includes continuous learning and adaptation, allowing us to stay ahead of trends and provide our clients with cutting-edge solutions that drive growth and success.

#### 7. Creating Lasting Impact:

- We seek to make a positive impact on businesses and communities through our AI solutions. By helping organizations thrive, we contribute to economic growth, job creation, and a more vibrant digital ecosystem.

#### **Conclusion:**

Our vision for the AI Solutions Company is not just about technological advancement; it is about fostering creativity, efficiency, and meaningful connections. We aspire to be at the forefront of the AI revolution, guiding businesses and individuals toward a future where innovation knows no bounds and every idea can come to life.

#### **Our Mission:**

Our mission is to democratize content creation through innovative AI technologies, making it accessible, efficient, and powerful for everyone. By leveraging the latest advancements in AI, we strive to empower our users to achieve their creative goals, whether they are individuals, startups, or large enterprises.

#### **OUR KEY UNIQUE BUSINESS STRENGTHS ARE**

- 1) Organizational Stability:** Our organization has been in this industry with the best quality of services multiple years which itself proves our ability to weather through economic and business cycles.
- 2) Experienced Promoters and a well-trained employee base** - Our management is experienced in our line of business. Our management and employee team combines expertise and experience to outline plans for the future development of the company. Since starting of operations, we have witnessed consistent and stable growth. Our Promoter has significant industry experience and has been instrumental in the consistent growth of our company. We believe that the knowledge and experience of our promoter and management will enables us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business.
- 3) Strong financial position** - We believe that our strong financial position will provide us with the financial flexibility to fund our growth and expansion and allow us to respond quickly and competitively to further capitalise on emerging opportunities in the market.
- 4) 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.



- 5) **Established brand and image**– We are engaged in providing services to our clients and over the years, we believe that we have established ourselves as a reliable brand in India wherein our clients trust us for our quality, consistency and continuous performance.

## OUR BUSINESS STRATEGIES

1. **Expanding our Clientele Base:** - Our Company is strategizing to strengthen its cliental base. Our present customer base comprises of a large number of Overseas & Indian Companies/concerns. Our Company intends to grow business continuously by adding new customers.
2. **Leveraging our Market skills and Relationships:** - This is a continuous process in our organization and the skills that we impart in our people to give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.
3. **Pursue strategic acquisitions:** In order to expand, we seek to identify acquisition targets and/or joint venture partners whose resources, capabilities, technologies and strategies are complementary to and are enabling us to establish our presence in new geographical locations.
4. **Improving operational efficiencies:** Improving operational efficiencies is the key to success of any business. Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions will enable us to penetrate into new catchment areas within these regions. As a result of these measures, our Company will be able to increase its market share and profitability.

## OUR OPERATIONS:

Kairosoft AI Solutions Limited is dedicated to providing a comprehensive suite of services designed to meet the diverse needs of Virtual Reality, and Artificial Intelligence. The company's services span various platforms and formats, ensuring that every aspect of Artificial Intelligence and business opportunities is covered comprehensively. Here's an in-depth look at the key services offered by our company:

### I. Our Comprehensive AI Image Creation Services

In today's fast-paced digital landscape, the demand for visually appealing content is higher than ever. Whether for marketing, branding, or creative projects, businesses and individuals need high-quality visuals that not only capture attention but also convey messages effectively. This is where **Kairosoft AI Solutions Ltd.** steps in, offering state-of-the-art AI image creation services designed to transform your ideas into reality. Our AI-powered platform empowers users to generate bespoke visuals tailored to their needs, leveraging the latest advancements in artificial intelligence and deep learning technologies.

ed to their needs, leveraging the latest advancements in artificial intelligence and deep learning technologies.

d to their needs, leveraging the latest advancements in artificial intelligence and deep learning technologies.

Here's an in-depth look at our AI image creation services and how they can add value to your projects:



## 1. What is AI Image Creation?

AI image creation involves the use of artificial intelligence, particularly deep learning algorithms, to generate images, artwork, and graphics. These images can be produced from textual descriptions, predefined parameters, or specific design inputs provided by the user. By mimicking the creative processes of a human artist, AI systems can produce visually stunning content that caters to a variety of industries and use cases.

Our platform uses cutting-edge AI models to interpret your textual prompts and deliver results that align with your vision. From photorealistic renderings to abstract artistic designs, the possibilities are virtually limitless.

## 2. Key Features of Our AI Image Creation Services

### a. Text-to-Image Generation

Our platform allows users to input detailed textual descriptions, which the AI then interprets to create images. For example, you can type “a serene mountain landscape with a river flowing through it at sunset,” and our system will produce a high-resolution image matching this description.

### b. Customization Options

**Style Selection:** Choose from a range of artistic styles, including photorealism, impressionism, surrealism, and more.

**Color Schemes:** Specify your preferred color palette to ensure the image aligns with your branding or personal taste.

**Aspect Ratios and Dimension:** Generate images optimized for various platforms, such as social media posts, advertisements, or print materials.

### c. High-Resolution Outputs

Our AI tools generate images in high resolution, ensuring they are suitable for both digital and print applications. Whether you’re designing a billboard or a website banner, we’ve got you covered.

### d. Advanced Editing Capabilities

Beyond creation, our platform offers tools for post-generation editing. Adjust colors, refine details, and add text or overlays directly within the system.

### e. Multi-Language Support

Our platform understands prompts in multiple languages, making it accessible to users worldwide.

## 3. Benefits of Using Our AI Image Creation Services

### a. Time Efficiency



Traditional image creation often involves lengthy design processes or coordination with graphic designers. Our AI platform significantly reduces the time required, delivering high-quality visuals within minutes.

#### b. Cost-Effective Solutions

Hiring professional artists or purchasing stock images can be expensive. With our AI image generation tools, you can produce unlimited visuals at a fraction of the cost.

#### c. Creativity Without Limits

AI opens up a world of possibilities by enabling users to experiment with ideas that may not be feasible through conventional design methods. From fantastical concepts to intricate designs, our tools bring your imagination to life.

#### d. Enhanced Branding Opportunities

Custom visuals help businesses stand out in a crowded marketplace. By aligning your imagery with your brand's identity, you can create a stronger connection with your audience.

#### e. Scalability

Our services cater to projects of all sizes, from small-scale campaigns to enterprise-level operations requiring hundreds of visuals.

### 4. Applications of AI Image Creation

Our AI image creation services are versatile and can be used across various industries:

#### a. Marketing and Advertising

- Create eye-catching visuals for social media campaigns.
- Design banners, posters, and flyers that captivate your audience.
- Develop unique concepts for digital ads that stand out from competitors.

#### b. E-commerce

- Generate product mockups and promotional materials.
- Design appealing backgrounds and settings to highlight your products.

#### c. Entertainment and Media

- Produce concept art for movies, games, and animations.
- Generate illustrations for books, magazines, or graphic novels.

#### d. Education and Training



- Create visuals for presentations, e-learning modules, and educational content.

e. Architecture and Real Estate

- Design visualizations and artistic representations of architectural concepts.

5. How Our Platform Works

Step 1: Input Your Idea

Start by providing a textual description of the image you want to create. Be as detailed or as concise as you like, depending on your needs.

Step 2: Select Customization Options

Choose from various customization features, such as style, dimensions, and color schemes.

Step 3: Generate and Review

Our AI processes your inputs and generates a set of images. Review the results and select the one that best matches your vision.

Step 4: Edit and Finalize

Use our built-in editing tools to make any final adjustments. Once satisfied, download the high-resolution file.

6. Why Choose Kairosoft AI Solutions Ltd. for Image Creation?

a. Expertise in AI and Deep Learning

Our team comprises AI specialists and creative professionals who ensure our platform delivers top-tier results.

b. Commitment to Innovation

We continuously update our platform to incorporate the latest advancements in AI and design technology.

c. User-Friendly Interface

Our platform is designed to be intuitive and accessible, catering to both tech-savvy users and those new to AI tools.

d. Reliable Support

We provide dedicated customer support to assist you at every step of the image creation process.

7. Frequently Asked Questions (FAQs)

Q1: What types of images can your AI create?



Our AI can generate a wide range of visuals, including realistic photographs, artistic illustrations, and abstract designs.

Q2: Is there a limit to how many images I can create

We offer flexible subscription plans to suit various needs, ranging from individual users to enterprise clients.

Q3: Can I use the generated images for commercial purposes?

Yes, the images you create can be used for commercial purposes, provided they comply with our terms of service.

## 8. Future Prospects

At Kairosoft AI Solutions Ltd., we're constantly exploring new ways to enhance our AI image creation services. Upcoming features include:

- 3D Image Generation: Create 3D models and visuals for more immersive applications.
- Dynamic Animations: Generate short animated sequences from static images.
- Collaborative Tool : Enable teams to work together on image creation projects in real time.

## 9. Get Started Today

Unleash your creativity with Kairosoft AI Solutions Ltd.'s AI Image Creation Services. Whether you're a marketer, designer, educator, or entrepreneur, our tools are designed to meet your unique needs.

## II. AI Content Writing Services: Transforming User Engagement

At Kairosoft AI Solutions, we revolutionize how businesses create and deliver content through our **\*\*AI Content Writing Services\*\***. Powered by state-of-the-art artificial intelligence, our solutions are designed to craft impactful, user-centric content that drives engagement and boosts brand presence.

Our AI models are trained to understand user behaviour, preferences, and trends, enabling us to generate highly relevant and personalized content. Whether it's crafting blogs, website copy, social media post, or marketing emails, our AI ensures every word resonates with your target audience. By utilizing advanced natural language processing (NLP) and machine learning, we produce content that's not only engaging but also optimized for search engines, driving organic traffic to your platforms.

The impact on users is profound:

1. Personalized Experiences: AI analyses user data to create content tailored to their interests, ensuring higher engagement rates.
2. Consistency Across Channels: Our solutions maintain a consistent tone and voice, strengthening brand identity.
3. Time Efficiency: AI-generated content is fast, enabling businesses to meet tight deadlines without compromising quality.



4. Enhanced Accessibility: Multilingual capabilities allow businesses to reach diverse audiences effectively.

By integrating AI Content Writing into your strategy, you not only save time and resources but also create meaningful connections with your audience. Trust Kairosoft AI Solutions to deliver content that makes an impact.

### III. AI-Based Marketing Solutions: Empowering Smarter Marketing

At Kairosoft AI Solutions, we offer **\*\*AI-Based Marketing Solutions\*\*** designed to transform how businesses connect with their audience. By leveraging advanced AI technologies, we help companies optimize their marketing efforts, maximize return on investment (ROI), and achieve measurable results.

Our services include:

-Predictive Analytics: Analyze consumer behavior and trends to anticipate future actions, enabling proactive decision-making.

-Customer Segmentation: Use AI to group your audience based on preferences, demographics, and behavior for targeted campaigns.

-Personalized Marketing Strategies: Deliver tailored messages that resonate with individual customers, improving engagement and loyalty.

How We Help Users:

1. Optimized Campaigns: By analyzing vast amounts of consumer data, our AI tools ensure your campaigns are data-driven and precise, minimizing wastage of resources.

2. Enhanced Customer Understanding: **\*\* Gain deep insights into your audience, allowing you to craft messages that truly resonate.**

3. Increased Conversion Rates: With personalized content and targeted outreach, businesses see higher engagement and more successful outcomes.

4. Real-Time Adaptability: AI continuously learns from campaign performance, enabling real-time adjustments for better results.

With Kairosoft's AI-Based Marketing Solutions, you can move beyond traditional marketing techniques and adopt smarter, more impactful strategies that drive growth and success.

### IV. AI Business Model Innovation: Driving Future-Ready Enterprises

At Kairosoft AI Solutions, we specialize in crafting AI-driven business models that empower companies to thrive in their industries. Our **\*\*AI Business Model Innovation\*\*** services help businesses unlock new opportunities by integrating artificial intelligence into their operations, customer engagement strategies, and revenue streams.

Key Offerings:



**Market Analysis:** We conduct in-depth studies of industry trends and competitive landscapes to identify opportunities for AI integration.

**-Tailored Strategies:** Develop AI-based business models aligned with your company's goals and industry dynamics.

**Operational Efficiency** Implement AI solutions that streamline workflows, reduce costs, and improve decision-making.

**Enhanced Customer Engagement:** Use AI to personalize customer experiences, driving loyalty and satisfaction.

**Revenue Generation:** Explore innovative ways to monetize AI capabilities, such as predictive analytics, automation, and intelligent product recommendations.

**How We Help Users:**

1. **Competitive Edge:** Stay ahead by adopting cutting-edge AI strategies tailored to your industry.
2. **Scalable Solutions:** Implement flexible models that grow with your business.
3. **Data-Driven Insights:** Leverage AI to uncover actionable insights from vast amounts of data.
4. **Innovation Enablement:** Transform traditional processes into smarter, automated systems, reducing time and effort.

With Kairosoft's AI Business Model Innovation services, companies can reimagine their operations, enhance customer satisfaction, and create sustainable revenue streams to thrive in an ever-evolving market.

## **TARGET MARKET: EMPOWERING BUSINESSES WITH AI TECHNOLOGY**

At Kairosoft AI Solutions, we cater to a diverse target market, providing tailored AI solutions to help businesses optimize their operations and innovate their processes.

**Who We Serve:**

1. **Small to Medium-Sized Enterprises (SMEs):**

We empower SMEs with cost-effective AI tools that enhance operational efficiency, streamline workflows, and improve decision-making, enabling them to compete with larger players.

2. **Marketing Agencies:**

Our AI solutions help agencies deliver targeted, data-driven campaigns, analyze performance in real time, and maximize ROI for their clients.





### 3. E-Commerce Businesses:

From personalized product recommendations to inventory management and AI-driven customer support, we provide tools to elevate e-commerce platforms and boost sales.

### 4. Content Creators:

We offer AI-powered content generation and analytics tools to help creators produce high-quality, engaging content while saving time.

### 5. Large Corporations:

For enterprises seeking to innovate, we deliver scalable AI solutions for process automation, customer engagement, and advanced analytics to transform their business models.

#### How We Help Users:

-Tailored Solutions: We understand the unique needs of each industry and provide customized AI tools to address specific challenges.

- Scalability: Our solutions grow with your business, ensuring long-term value.

-Enhanced Productivity: Automate repetitive tasks, freeing up resources for strategic initiatives.

-Market Competitiveness: Equip businesses with cutting-edge AI to stay ahead in the ever-evolving marketplace.

With Kairosoft AI Solutions, businesses of all sizes can unlock the potential of AI to drive growth, innovation, and success.

### **Value Proposition: Unlocking the Power of AI for Your Business**

At Kairosoft AI Solutions, we deliver a compelling **value proposition** that empowers businesses to achieve more with less effort by integrating artificial intelligence into their workflows.

#### **Key Benefits:**

1. **Cost Reduction:**

Our AI solutions streamline processes and automate repetitive tasks, minimizing operational costs and maximizing efficiency.

2. **Increased Productivity:**

With AI handling time-intensive tasks, businesses can focus on strategic initiatives, boosting overall productivity.

3. **Creative Freedom:**

By automating routine activities, we enable teams to dedicate more time to innovation and creative problem-solving, fostering growth.

4. **User-Friendly Solutions:**

Our AI tools are designed to be intuitive and easy to use, ensuring that businesses of all sizes can adopt them seamlessly without requiring specialized technical skills.



**5. Scalability:**

As your business grows, our AI solutions adapt to meet your evolving needs, offering long-term value and flexibility.

**How We Help Users:**

- **Simplified Integration:** Our solutions are easy to implement, ensuring a hassle-free transition to AI-enhanced workflows.
- **Actionable Insights:** Leverage data-driven insights to make informed decisions and stay ahead in competitive markets.
- **Empowerment Through Technology:** From startups to large enterprises, we enable businesses to unlock AI's potential and drive sustainable success.

With Kairosoft AI Solutions, you can transform your operations, maximize creativity, and achieve new levels of efficiency – all with the power of AI.

**REVENUE MODEL: FLEXIBLE AND USER-CENTRIC**

At Kairosoft AI Solutions, our **\*\*revenue model\*\*** is designed to cater to businesses of all sizes, ensuring accessibility and flexibility for our clients.

**Key Features of Our Model:**

**1. \*\*Subscription-Based Services:**

- We offer tiered pricing plans that align with the specific needs and budgets of different businesses.
- Options range from basic packages for small startups to premium solutions for larger enterprises with advanced requirements.

**2. Custom Solutions:**

- For businesses seeking specialized applications of AI, we provide tailored solutions.
- These projects are designed collaboratively, ensuring the technology aligns with unique goals and challenges.

**3. Scalable Options:**

- As businesses grow, they can upgrade their subscription plans or add custom features, ensuring long-term value.

**How We Help Users:**

**Affordability:** Our tiered pricing ensures that even small businesses can access cutting-edge AI solutions.

**Flexibility:** Clients can choose plans that match their current needs and scale up as they grow.

**-Tailored Excellence:** For specialized requirements, our custom solutions deliver precisely what businesses need to innovate and thrive.



- Predictable Costs: The subscription model provides transparency, allowing businesses to budget effectively without hidden fees.

By combining affordability, customization, and scalability, Kairosoft AI Solutions empowers businesses to harness AI's potential without financial strain, fostering innovation and growth.

## COMPETITION

The industry in which we operate is highly competitive and fragmented. We have a lot of competition from regional and national carriers who are in business of AI Solution based. We compete a lot with other Service provider on basis of Service quality, price and reliability. While these factors are key Parameters in client's decision making matrix in availing service, we try to offer the best service at the most economical price. We provide services at a large scale which makes us offer best quality service in comparisons to our competitors.

We believe that scale of our operations allows us to meet customer requirements better than small manufacturer and distributors.

Due to industry fragmentation, there is no authentic data available to our Company on total Industry size and market share of Our Company vis-vis Competitors.

## MARKETING STRATEGY

We undertake an exercise periodically to identify existing and prospective customers with the potential to develop into large clients. Our senior management is actively involved in managing customer relationships and business development through targeted interaction with multiple contacts at different levels on an ongoing basis. Our Company proposes to market the major users of our services viz. We also propose to market our services through placing advertisement in newspapers, trade journals, participate in exhibitions and trade fairs and display our wide range of products to promote our products.

## EXPORT POSSIBILITIES & EXPORT OBLIGATION

We do not have any outstanding export obligations.

## QUALITY

We are wholly committed to build and sustain itself as an organization where quality shall be the hallmark of every aspect. We check the entire process right from procurement of materials to final delivery. Our maximum attention is paid to upgrade our process and system to achieve consistent product quality and customer satisfaction.

To maintain our quality policy, we shall follow the basic system in the organization which are:


- All the members shall participate in achieving the targets
- There should be transparency in ideas and methods of implementation for quality improvement in every step and every corner of production and testing
- A laid down procedure to maintain quality shall be implemented and distributed in respective areas
- There shall be clear instructions to maintain laid down quality checking
- Multiple level Quality review is made starting from the client order till the completion of the services.



## INTELLECTUAL PROPERTY

As of the date of this Draft Letter of Offer, our Company has following registered trademarks.

The details of trademark are as given below:

Sr. No.	Mark	Application Number	Valid upto	Applicant Name	Class
1.		6628025	Applied	KAIROSOFT AI SOLUTIONS LIMITED	9 & 42

## TARGET INDUSTRIES

At Kairosoft AI Solutions Ltd., our clients are at the heart of everything we do. We take pride in serving a diverse range of industries, providing tailored AI solutions that address their specific needs and challenges. Our clients include businesses of all sizes, from startups to large enterprises, across various sectors. Here are the key client segments we cater to:

### 1. Healthcare and Life Sciences:

We work with hospitals, research institutions, pharmaceutical companies, and healthcare providers to develop AI-driven solutions that improve patient care, streamline operations, and accelerate research. Our solutions include predictive analytics, diagnostic tools, and patient management systems that help healthcare professionals make data-driven decisions.

### 2. Finance and Banking:

Our AI solutions for the finance sector help banks, insurance companies, and financial institutions optimize risk management, enhance fraud detection, and improve customer service. We provide machine learning models for credit scoring, automated trading, and customer support chatbots that enhance efficiency and security in financial operations.

### 3. Retail and E-commerce:

Retailers and e-commerce platforms rely on our AI solutions to personalize customer experiences, optimize supply chains, and drive sales. Our products include recommendation engines, inventory management tools, and data analytics platforms that help retailers understand customer behavior and make informed business decisions.

### 4. Manufacturing and Supply Chain:



We serve manufacturing companies by offering AI-powered solutions that enhance production efficiency, predictive maintenance, and quality control. Our systems can analyze production data to identify patterns, predict equipment failures, and ensure a seamless flow of operations throughout the supply chain.

#### 5. Telecommunications:

Telecom companies use our AI solutions to improve network management, enhance customer service, and optimize resource allocation. We develop chatbots, predictive maintenance systems, and data analytics tools that help telecom providers reduce downtime and improve overall service quality.

#### 6. Education and E-Learning:

Educational institutions and e-learning platforms partner with us to integrate AI into their teaching and administrative processes. Our solutions include personalized learning platforms, automated grading systems, and student engagement analytics, which help educators deliver a more effective and engaging learning experience.

#### 7. Automotive and Transportation:

We collaborate with automotive companies to develop AI solutions for autonomous driving, fleet management, and predictive maintenance. Our technology helps improve vehicle safety, optimize logistics, and enhance the overall efficiency of transportation networks.

#### 8. Government and Public Sector:

Government agencies and public sector organizations leverage our AI solutions to improve service delivery, enhance data security, and streamline processes. We work with public sector clients to develop solutions for smart cities, public safety, and efficient resource management.

#### 9. Energy and Utilities:

Our AI solutions for the energy sector focus on optimizing energy consumption, predictive maintenance of infrastructure, and enhancing grid management. We help energy companies and utilities improve operational efficiency and reduce costs by providing intelligent analytics and automation tools.

#### 10. Startups and SMEs:

We understand the unique challenges faced by startups and small-to-medium enterprises (SMEs). Our scalable and cost-effective AI solutions empower these businesses to leverage technology, enhance their capabilities, and compete in the market. We offer customized solutions that address their specific business needs without compromising on quality or performance.



## OUR MANAGEMENT

### Board of Directors

Currently, our Company has 5 (Five) Directors on our Board comprising of 2 (Two) Executive Directors, and 2 (Two) Independent Directors and 1 (One) Non Executive and Non Independent Director. 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 such number as provided in the Companies Act, 2013.

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. Mr. Sagar Khurana</b> S/O G.D. Khurana 283/1 Near Milap Dawakhana, Jawahar Colony Sector 22 , Faridabad-Haryana- 121005. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years <b>DIN:</b> 07691118 <b>PAN:</b> AUWPK2857M	27.09.1987	Managing Director	1. Telka Technologies Pvt. Ltd.
<b>2. Mr. Santosh Kumar Kushawaha</b> S/o Ram Niwas Kushwaha 395, 2nd Floor, 46, Near Vardhman Public School, Amarnagar, Faridabad, Haryana-121003. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years <b>DIN:</b> 02994228 <b>PAN:</b> AQOPK3040N	02.03.1987	Executive Director	1. A F Enterprises Limited. 2. Kamal Skilled Games (OPC) Private Limited 3. SNP Infosolutions Limited Liability Partnership 4. RDS Corporate Services Private Limited 5. Zotila Pharmaceuticals Limited
<b>3. Ms. Anupama Kashyap</b> D/O Mumlesh Kumar, House No 36, Arjun Nagar, Rampur, Ambala Cantt Ambala Ind-Estate Haryana-133006 <b>Occupation:</b> Business <b>Nationality:</b> Indian	15.08.1990	Independent Director	Nil

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Date of Birth	Status of Directorship in our Company	Other Directorships
<b>Tenure:</b> Five years <b>DIN:</b> 09720124 <b>PAN:</b> BJIPK1134K			
<b>4. Mr. Achal Kapoor</b> c/o khuman chand sethia ,near old bus tand ,nokha road,gabgashahar,bikaner Rajasthan-334401 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years <b>DIN:</b> 09150394 <b>PAN:</b> BEZPK5181A	06.11.1987	Independent Director	Nil
<b>5. Mr. Deva Ram</b> s/o kheraj Ram, dhanenya sewara ,Jalor, Rajasthan -343041. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 09003288 <b>PAN:</b> BRJPR5503C	01.07.1997	Non-Executive and Non-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 Profiles of Directors

##### 1. Sagar Khurana

Mr. Sagar Khurana is a Bachelor of Technology in Electronics and Communication Engineering (ECE), 2011 from Manav Rachna College of Engineering, Faridabad (MDU, Rohtak), He also has the Diploma in Plastic Technology from Govt Polytechnic, Ambala in 2008.

His Professional experience consist of holding crtical role as a director in various companies including (Telka Technologies Pvt. Ltd since 2021 & Kairosoft AI Solutions Ltd). He is a young and Dynamic person with innovative approach towards Finance.

##### 2. Mr. Santosh Kumar Kushawaha:

Mr. Kushawaha was graduated in 2007 with BCA in Computers and did his PGDM in 2009 from IIPM University, Delhi. He started his career with Money Mine India as a researcher in stock market in 2009 till 2012, and then in 2012 he started his own investment Company and invested through stock market.

In 2016, Mr. Kushawaha appointed as a MD in A F Enterprises Ltd. However in 2017 he resigned from the Company due to personal reasons and started his own Firm naming Dr. Compliance where he used to advise



compliance related matters to multiple Companies listed on BSE, he grew that business very early and turned the Company's turnover to manifold. Dr. Compliance is a renowned name in market for compliances related to stock exchange.

Mr. Kushawaha again appointed as MD in A F Enterprises in 2019 and emerge with a brand name of RIDH. His efforts made the Company profitable from a continuous loss of 3 years; the revenues grew over 10 times. He looks after day-to-day routine operational activities of our Company and formulation of business policies, strategies etc. He guides company in its growth strategies.

He is the founder of the Kairosoft AI Solutions Ltd and currently involved in the Company as a Director as well.

### 3. Deva Ram

Mr. Dev Ram is an Innovative and results-driven entrepreneur with extensive experience in software development, Filmmaking and marketing. Founder and CEO of Zezo.in, a leading tech solutions company offering a wide range of products and services, including MediaTech, CRM, Web3, Blockchain, AI-driven tools, and custom software solutions. Proven track record in managing cross-functional teams, overseeing large-scale projects, and driving business growth through strategic planning and execution. Passionate about leveraging cutting-edge technology to deliver high-quality, scalable solutions that meet the evolving needs of clients across various industries.

His professional experience include:

Ck Motion Pictures 2012-2013- Script Writer, Vaaraahi Chalana Chitram 2013-2014- Associate Director  
Arka Media Works- 2015-2016 2nd Assistant Director, Associate director in Sommi films from 2016 to 2017, Co-founder of Get Indian online from year 2017 to 2020, Current he is working as freelancer filmmaker from year 2020, he is also the co-founder of Zero company.

### 4. Mr. Achal Kapoor

CS Achal Kapoor, a young and dynamic professional with highly efficient management skills.

He is a Qualified Associate member of the Institute of Company Secretaries of India (ICSI), a Post Graduate Diploma in Business Management in Finance from Symbiosis Centre for Distance Learning, a Law Graduate from Bhagwati College of Law, CCS University (Meerut).

He got registration in Independent Director Databank under Indian Institute of Corporate Affairs having registration no. IDDB-NR-202104- 036018. He has qualified the Independent Director exam. He has more than 10 years of experience as on Legal Manager Level in the field of Corporate Laws, Securities Law, SEBI Compliances, Financial Management, Accounts and Taxation etc. in a Listed Companies, Public and Private Companies.

He adjudged as Best Participant Male in orientation Programme conducted by Institute of Company Secretaries of India (ICSI). He worked in Delhi Stock Exchange, Registrar of Companies or any other legal authorities etc. He strives for a progressive, professional and a challenging work ecosystem comprising a blend of legal, compliance & secretarial profile which will enable his to do justice to his potential as well as to the development of the organization.

### 5. Anupama Kashap

She has qualified the exam of Independent Director on 08th of September 2022. Having experience in the field of Corporate Laws, Securities Laws, SEBI, Compliances, Financial Management, Accounts and Taxation etc. in the listed.





She has done Qualified Bachelor of Information and Management from G.M.N. College, Ambala Cantt, and Affiliated to Kurukshetra University in June 2011 with 1st division.

She is a highly efficient and competent company secretary with an ability to ensure that a company complies and operates in accordance with statutory and legal provisions.

- Experience of attending meetings with company shareholders and the board of directors and acting as a point of communication between them.
- Well-presented and highly personable, with a deep knowledge of corporate regulatory and company rules.
- Excellent organizational skills, highly efficient and methodical with a good eye for detail.
- Keen to find a challenging secretarial position with a successful and ambitious company that offers opportunities for career development and advancement.

His Work Experience include:

Rajnish Wellness Limited COMPANY SECRETARY June 2022

- Quadrant Future Tek Limited COMPANY SECRETARY June 2019 – April 2022
- Reward Buildwell Private Limited COMPANY SECRETARY January 2019 – May 2019
- Jindal Equipment Leasing and Consultancy Services Limited (Jindal Groups) COMPANY SECRETARY January 2018 – December 2018

He has been Responsible for ensuring that the highest standards of administrative processes & corporate governance are both promoted and maintained, so that the business operates efficiently & in accordance with all statutory and legal provisions.

Have Completed Company Secretary Internship with M/s MEGA CABS PRIVATE LIMITED (Formerly Mega Cabs Limited), a Group Mega Enterprises and having 3 months more experience in legal and secretarial field and has a good coverage over the work with regard to quality and accuracy in the documents.

#### **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 Board constituted 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 5 (Five) Directors on our Board comprising of 2 (Two) Executive Directors, and 2 (Two) Independent Directors and 1 (One) Non Executive and Non Independent Director.

**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. Mr. Achal Kapoor is the Chairman of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Achal Kapoor	Chairperson	Independent Director
2.	Mr. Santosh Kumar Kushawaha	Member	Executive Director
3.	Ms. Anupma Kashyap	Member	Independent Director

#### **Role of Audit Committee**

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

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - o 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;
  - o changes, if any, in accounting policies and practices and reasons for the same;
  - o major accounting entries involving estimates based on the exercise of judgment by management;
  - o significant adjustments made in the financial statements arising out of audit findings;
  - o compliance with listing and other legal requirements relating to financial statements;

- o disclosure of any related party transactions;
  - o modified opinion(s) in the audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- such other terms of reference/role as may be amended from time to time.

All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015 are covered in the terms of reference of the Audit Committee.

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. Ms. Anupma Kashyap is the Chairman of the Stakeholders relationship Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Ms. Anupma Kashyap	Chairperson	Independent Director
2.	Mr. Sagar Khurana	Member	Managing Director
3.	Mr. Deva Ram	Member	Non-Executive (Non-Independent) Director

### Role of stakeholder Relationship committee

The Stakeholder Relationship Committee of our Board look into:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for the effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- such other terms of reference/role as may be amended from time to time.

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 (3) of Companies Act, 2013 and regulation 19 of SEBI LODR Regulations. The Committee currently comprises of three (3) Directors. Ms. Anupma Kashyap is the Chairperson of the Nomination and Remuneration Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Ms. Anupma Kashyap	Chairman	Independent Director
2.	Mr. Achal Kapoor	Member	Independent Director
3.	Mr. Deva Ram	Member	Non-Executive (Non-Independent) Director

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- such other terms of reference/role as may be amended from time to time.

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

S.No.	Name of key Management Personnel and Senior Management Personnel	Designation	Associated with the Company Since
1.	Mr. Sagar Khurana	Managing Director	15/02/2023
2.	Mr. Bhag Chand Sharma	Company Secretary	14/11/2024
3.	Mr. Raman Sharma	Chief Financial officer	14/11/2024

#### 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, Promoters and/ or Other Key Managerial personnel.



## OUR PROMOTER

Our Promoter is M/s. Vinod Kumar Bansal. As on date of this Draft Letter of Offer, the Promoters of our Company hold, in aggregate of 60,000 Equity Shares constituting 15.00% of our pre issued, subscribed and paid-up equity share capital.

Brief profile of our promoters is as under:

### 1. Mr. Vinod Kumar Bansal

Mr. Vinod Kumar Bansal is the Chartered Accountant, he has been holding position of promoters in the company since year 2014, He has been instrumental in promoting and guiding the growth of the company, leveraging his financial expertise to drive strategic decision-making.

### Confirmation

Our Promoters 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 Promoters 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.



## SECTION VI - FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

Particulars	Page No.
Financial Statements	103
Unaudited Financial results for the quarter/half year ended September 30, 2024	29
Statement of Accounting Ratios	103
Projections	117

#### 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 September 30, 2024 till date of this Letter of Offer. We have not given Restated Financials because we fall under Part-B of SEBI (ICDR), 2018.

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



## STATEMENT OF ACCOUNTING RATIOS

### Accounting Ratios

The following table presents certain accounting and other ratios derived from our audited standalone financial statements and unaudited financial results included in the section titled “Financial Information” beginning on page 103 of this Letter of Offer.

### Accounting Ratios (Standalone)

Particulars	Amount in Rs. thousands	
	Period ended September 30, 2024	Year ended March 31, 2024
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (in Rs.)	13.92	(113.62)
(b) Diluted Earnings Per Share (after extraordinary items) (In Rs.)	13.92	(113.62)
Return on Net Worth (after extraordinary items and excluding Revaluation reserves) (%)	2.62%	(21.92%)
Net Asset Value / Book Value per Equity Share each	0.53	0.52
Face Value per Equity Share	10.00	10.00
EBITDA (Rs. in Thousands)	5,222.64	5,246.77

### Capitalization Statement

The statement on our capitalisation is as set out below:

### Standalone Capitalization statement

Particulars	(Amount in Rs. Thousands)	
	As at September 30, 2024 (Pre-Issue)	As adjusted for proposed Issue
<b>Borrowings</b>		
Current Borrowings	11,505.49	11,505.49
Non-Current Borrowings (including current maturity)	20,000.00	20,000.00
<b>Total borrowings (A)</b>	<b>31,505.49</b>	<b>31,505.49</b>
<b>Total Equity</b>		
Share capital	4,000.00	4,000.00
Reserves and surplus*	2,08,935.88	2,03,366.91
<b>Total Equity (B)</b>	<b>2,12,935.88</b>	<b>2,07,366.91</b>
<b>Non-current Borrowings / Total Equity ratio</b>	<b>14.80%</b>	<b>13.25%</b>
<b>Total borrowings / Total Equity ratio (A/B)</b>	<b>14.80%</b>	<b>13.25%</b>

\*Excluding other Comprehensive Income.





## MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the BSE. As our Equity Shares are listed only on the BSE, stock market data for our Equity Shares has been given for BSE.

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.)
2024	175.25	19 <sup>th</sup> Dec,2023	1,339	67.8	22 <sup>nd</sup> May, 2023	4	108.97
2023	175.25	14 <sup>th</sup> Dec,2022	14,683	45.9	29 <sup>th</sup> Jul,2022	496	86.93
2022	104.30	30 <sup>th</sup> Jun,2021	5,717	41.3	7 <sup>th</sup> May,2021	245	69.37

(Source: [www.bseindia.com](http://www.bseindia.com)) In case where closing price is same the price on which no. of shares traded higher on is taken.

### 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
July, 2024	289.95	08 <sup>th</sup> July, 2024	2631	251.90	18 <sup>th</sup> July, 2024	12,440	270.42	22
June, 2024	244.50	28 <sup>th</sup> June, 2024	819	103.80	05 <sup>th</sup> June, 2024	27	166.67	18
May, 2024	139.7	8 <sup>th</sup> May, 2024	3,518	108.8	29 <sup>th</sup> May, 2024	116	125.30	20
Aug, 2024	316	20 <sup>th</sup> Aug, 2024	1095	249.55	12 <sup>th</sup> Aug, 2024	247	286.48	21
Sep, 2024	323.25	16 <sup>th</sup> Sep, 2024	1,773	278.85	04 <sup>th</sup> Sep, 2024	376	306	21
Oct, 2024	347.15	7 <sup>th</sup> Oct, 2024	217	256.75	30 <sup>th</sup> Oct, 2024	2085	311.20	22

(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
22 <sup>nd</sup> November, 2024	278.95	280.00	18 <sup>th</sup> November, 2024	245.20	19 <sup>th</sup> November, 2024
14 <sup>th</sup> November, 2024	285.9	288	12 <sup>th</sup> November, 2024	261.25	12 <sup>th</sup> November, 2024
08 <sup>th</sup> November, 2024	285	315.00	04 <sup>th</sup> November, 2024	284.2	06 <sup>th</sup> November, 2024
01 <sup>st</sup> November, 2024	300	314.35	28 <sup>th</sup> October, 2024	256.75	30 <sup>th</sup> October, 2024
25 <sup>th</sup> October, 2024	299.4	330.75	21 <sup>st</sup> October, 2024	299.05	22 <sup>nd</sup> October, 2024

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

The closing price of the Equity Shares as on 19<sup>th</sup> November, 2024 was Rs. 270.25 on the BSE, 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 96 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 22 and 16, 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 2021 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 103 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 14 of this Draft Letter of Offer.

### Business overview

Kairosoft AI Solution Ltd., is where innovation meets efficiency in the world of content creation. Our diverse suite of AI tools is designed to empower creators, developers, and businesses by streamlining the content creation process across multiple domains.

For further details, refer chapter titled "Our Business" on page 79.

### 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 and results contained in this 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 22 of this Draft Letter of offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our success depends on the value, perception and quality of our product;



- Branding and marketing;
- General economic and business conditions;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition in the industry;
- Changes in technology;
- Any change in the laws and regulations to Industry in which we operate;

### **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been applied consistently to the periods presented in the Limited Review Unaudited Standalone Financial results and Audited Standalone Financial Statements. For details of our significant accounting policies, please refer chapter titled "Financial Statements" on page 103 of this Draft Letter of Offer.

### **CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS**

Except as mentioned in chapter titled "Financial Statements" on page 103, 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 103 of this Draft Letter of Offer.

### **SUMMARY OF OPERATIONS**

The following discussion on result of operations should be read in conjunction with the Audited Standalone financial statements of our Company for financial year ended March 31, 2024 and the Unaudited Standalone results for the quarter ended September 30, 2024.

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 thousands)

Particulars	For the financial year ended	
	Standalone-Mar'24	Standalone- Mar'23
Income:-		
Revenue from Operations	-	37,458.96
<i>As a % of Total Revenue</i>	-	100%
Other Income	18011.18	-
<i>As a % of Total Revenue</i>	100%	-
Total Revenue (A)	18011.18	37458.96
Growth %		
Expenditure:-		
Change in inventory of stock in trade	-	34141.80
<i>As a % of Total Revenue</i>	40.49%	25.73%
Other expenses	6317.40	1261.55
<i>As a % of Total Revenue</i>	35.07%	3.36%
Employees Benefit Expenses	6473.93	2168.00
<i>As a % of Total Revenue</i>	35.94%	5.78%
Depreciation and Amortization Expense	132.10	139.54
<i>As a % of Total Revenue</i>	0.73%	0.37%
Fees & Commission expenses	22.20	-
<i>As a % of Total Revenue</i>	0.12%	-
Impairment of financial assets	(49.11)	-
<i>As a % of Total Revenue</i>	(0.27)%	-
Total Expenses (B)	12896.52	37710.90
<i>As a % of Total Revenue</i>	71.60%	100.67%
Profit before extraordinary items and tax	5114.67	(251.94)
<i>As a % of Total Revenue</i>	28.39%	(0.67)%
Extraordinary Items	(50,564.45)	0
Profit before Tax	(45449.78)	(251.94)
<i>PBT Margin</i>	(352.41%)	(0.67)%
Tax Expense:		
Current Tax	-	252.01
Deferred Tax Expenses/(Credit)	-	22.84
PAT	(45449.78)	(526.79)
<i>PAT Margin %</i>	(352.41%)	(1.39)%

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2024 WITH FINANCIAL YEAR ENDED MARCH 31, 2023



## INCOME

### Income from Operations

(Rs. In thousands)

Particulars	Standalone- Mar'24	Standalone- Mar'23	Variance
Revenue from Operations	-	37,458.96	(100%)

The operating income of the Company for the year ending March 31, 2024 on standalone is Rs. Nil thousands as compared to Rs. 37,458.96 Thousand for the year ended March 31, 2023 on standalone basis, showing a decrease of 100%, and such decrease is due to decrease in volume of operations.

Accordingly, the operating income (EBITA) of the Company for the year ending March 31, 2024 on standalone is Rs. 5,246.77 thousand as compared to Rs. (112.40) thousands for the year ended March 31, 2023 on Standalone basis, showing an increase of 4768%.

### Other Income

Our other income increases from Rs. Nil thousands to Rs. 18011.18 thousand on standalone basis, this was primarily due to increase in non-operating.

### Employee Benefit Expenses

(Rs. In thousands)

Particulars	Year ended		Variance (%)
	Standalone- Mar'24	Standalone- Mar'23	
Employee Benefit Expenses	6,473.93	2168.00	198.61

There is 198.61% increase in employee benefit expenses from Rs. 2168.00 thousand during year ended 31<sup>st</sup> March, 2023 to Rs. 6,473.93 thousand during year March 31, 2024 on standalone due to increase in staff and salary & wages.

### Other Expenses

(Rs. In thousands)

Particulars	Year ended		Variance (%)
	Standalone- Mar'24	Standalone- Mar'23	
Other expenses	6,317.40	1,261.55	400.76

There is 400.76% increase in other expenses from Rs. 1261.55 thousand during the year ended 31<sup>st</sup> March, 2023 to Rs. 6,317.40 thousand during the year ended March 31, 2024 on standalone basis which is in line with volume of business operations.

### Depreciation

There is 5.33% decrease in Depreciation expenses during the year ended March 31, 2024 as compared with depreciation expenses during the year ended March 31, 2023 due to decrease in written down value or depreciable assets on standalone basis respectively.

#### Loss Before Tax

(Rs. In Thousands)

Particulars	Before tax		Variance
	Mar'24	Mar'23	
Profit before Tax	(45,449.78)	(251.94)	(18139)% %

Loss before tax increased by 18139.28% from Rs. 251.94 thousand during the year ended 31st March, 2023 to Rs. 45,449.78 thousand during the year March 31, 2024 on standalone basis due to decrease in volume of sales.

#### Net Profit/Loss

(Rs. In Thousands)

Particulars	Net Loss		Variance
	Mar'24	Mar'23	
Loss before Tax	(45,449.78)	(526.79)	(8727.7%)

Loss after tax increased by 8727.7% from Rs. 526.79 thousand during the year ended 31st March, 2023 to Rs. 45,449.78 thousand during the year March 31, 2024 on standalone decrease in turnover and capital utilization of the Company.

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's **Unaudited financial results**, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

(Rs. in thousands)

Particulars	For the financial Period ended 30 <sup>th</sup> September	
	Sep '24	Sep'23
<b>Income:-</b>		
Revenue from Operations	-	8288.00
<i>As a % of Total Revenue</i>	-	97.97%
Other Income	9020.00	50
<i>As a % of Total Revenue</i>	100%	0.60%
<b>Total Revenue (A)</b>	<b>9020.00</b>	<b>8338.00</b>
<b>Growth %</b>		
<b>Expenditure:-</b>		
Fees & Commission	22.00	-
<i>As a % of Total Revenue</i>	0.24%	0%
Impairment on Financial Assets(	1639	205

As a % of Total Revenue	18.17%	2.45%
Employee benefits expenses	1468	1460
As a % of Total Revenue	16.27%	17.51%
Depreciation	63	64
As a % of Total Revenue	0.69%	0.76%
Other expenses	669	686
As a % of Total Revenue	7.41%	8.22%
<b>Total Expenses (B)</b>	<b>3861</b>	<b>2417</b>
As a % of Total Revenue	42.80%	28.98%
<b>Profit before extraordinary items and tax</b>	<b>5160</b>	<b>5921</b>
As a % of Total Revenue	57.20	71.01
Extraordinary Items	-	-
<b>Profit before Tax</b>	<b>5160</b>	<b>5921</b>
<b>PBT Margin</b>		
Tax Expense:		
i. Current Tax	-	1416
ii. Deferred Tax Expenses/(Credit)	(409)	(246)
<b>PAT</b>	<b>5569</b>	<b>4751</b>
<b>PAT Margin %</b>	<b>61.74%</b>	<b>56.68%</b>

**COMPARISON OF FINANCIAL YEAR ENDED SEPTEMBER 30, 2024 WITH FINANCIAL YEAR ENDED SEPTEMBER 30, 2023**

**INCOME**

**Income from Operations**

(Rs. In thousands)

Particulars	Sep'24	Sep'23	Variation
Revenue from Operations	9020.00	50	17940.00%

The operating income of the Company for the Half year ended September 30, 2024 on standalone is Rs. 9020 thousand as compared to Rs. 50 thousand for the Half year ended September 30, 2023 on standalone basis, showing an increase of 8.28%, and such increase is due to increase in volume of operations.

**Other Income**

(Rs. In thousands)

Particulars	Sep'24	Sep'23	Variation
-------------	--------	--------	-----------



Other Income	-	8338.00	100%
--------------	---	---------	------

Our other income decreased from Rs. 8338 thousand to Rs. Nil on standalone basis, this was primarily due to decrease in Non-Operating Income and Our Other Income.

#### Fees & Commission

(Rs. In thousands)

Particulars	Sep'24	Sep'23	Variation
Fees & Commission	22.00	-	100.00%

There is 100% increase in fees & Commission on account of increase in these expenses in Sep'24 compare to Sep'23.

#### Impairment on Financial Assets( Loans)

(Rs. In thousands)

Particulars	Sep'24	Sep'23	Variation
Impairment	1639	205	699.51%

There is 699.51% increase in impairment on account of increase in impairment expense of financial assets.

#### Employee Benefit Expenses

(Rs. In Thousands)

Particulars	Sep'24	Sep'23	Variation
Employee benefit Expenses	1468	1460	0.51%

There is marginal increase of 0.51% due to normal increase in wages and head count.

#### Depreciation

(Rs. In thousands)

Particulars	Sep'24	Sep'23	Variation
Depreciation	63	64	1.58%

There is marginal decrease of 1.58% which is in normal course of business.

#### Other Expenses

(Rs. In Thousands)

Particulars	Sep'24	Sep'23	Variation
Other Expenses	669	686	2.47%



There is 2.47% decrease in other expenses from Rs. 686 thousand during the half year ended 30<sup>th</sup> September, 2023 to Rs. 669 thousand during the half year ended September 30, 2024 which is due to decrease in admin expenses.

#### Profit/Loss Before Tax

Particulars	(Rs. in thousands)		
	Sep'24	Sep'23	Variation
PBT	5160	5921	(12.85%)

Profit before tax decreased by 12.85% from Rs. 5921 thousand during the half year ended 30<sup>th</sup> September, 2024 to Rs. 5160 thousand during the half year ended September 30, 2024 due to increase in expenses in Sep'24 compare to Sep'23.

#### Net Profit/Loss

Particulars	(Rs. in Thousands)		
	Sep'24	Sep'23	Variation
PBT	5569	4751	17.22%

Profit after tax increased by 17.22% from Rs. 4751.00 thousand during the half year ended 30<sup>th</sup> September, 2023 to Rs. 5569 thousand during the half year ended September 30, 2024 on account of tax expenses.

#### 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*" beginning on pages 22 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 22 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 22 and 107, 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 79 of this Draft Letter of Offer.



## PROJECTIONS

### Projected Profit and Loss Statement- AI Business

Particulars	Amount in '000			
	March-25	March-26	March-27	March-28
<b>REVENUES</b>				
Revenue 1 - Revenue from Users	0	2,87,300	5,52,500	11,05,000
Revenue 2 - Advertisement on Our App	-	-	1,31,400	1,31,400
Total Revenue	0	2,87,300	6,83,900	12,36,400
Direct Expenses	1,03,825	1,71,933	2,33,603	2,45,205
Gross Profit	-1,03,825	1,15,367	4,50,298	9,91,195
Gross Profit % to sales		40%	66%	80%
Indirect Costs	6,710	64,356	1,20,368	2,30,988
Employee Expenses	6,210	59,529	91,120	1,23,951
Interest Charges (Short Term)				
Sub-total	12,920	1,23,884	2,11,489	3,54,938
EBITDA	-1,16,745	-8,517	2,38,809	6,36,257
EBITDA %		-3%	35%	51%
Depreciation & Amortisation	5,004	17,602	15,116	13,233
Interest & Bank Charges (Long Term)				
Profit Before Tax (PBT)	-1,21,749	-26,120	2,23,693	6,23,024
PBT %		-9%	33%	50%
Provision for Tax	-		55,923	1,55,756
<b>PAT</b>	<b>-1,21,749</b>	<b>-26,120</b>	<b>1,67,770</b>	<b>4,67,268</b>
PAT %		-9.09%	24.53%	37.79%





**Projected Balance Sheet**

Particulars	Notes	Amount in '000			
		As at 31 Mar 25	As at 31 Mar 26	As at 31 Mar 27	As at 31 Mar 28
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	30,960	51,218	88,262	77,589
Financial assets		-	-	-	-
Investments	6	50	50	50	50
Loans	7	1,04,024	4,024	0	0
Other Financial Assets	8	26,577	28,912	28,912	49,868
Other non-current assets	9	28	28	28	55,028
<b>Current assets</b>					
Financial assets		-	-	-	-
Trade receivables	10	-	-	-	-
Cash and cash equivalents	11	35,637	38,912	2,55,561	8,29,955
Current tax assets (net)		-	-	-	-
Other current assets	12	1,03,846	1,63,846	1,59,218	1,02,146
<b>Total Assets</b>		<b>3,01,122</b>	<b>2,86,988</b>	<b>5,32,029</b>	<b>11,14,635</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	13	2,04,000	2,04,000	2,04,000	2,04,000
Other equity	14	81,618	55,498	2,23,268	6,90,536
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Financial liabilities		-	-	-	-
Borrowings	15	-	-	-	-
Deferred tax liabilities (Net)	16	167	167	167	167
<b>Current Liabilities</b>					
Financial liabilities		-	-	-	-
Borrowings	17	-	-	-	-
Trade payables		-	-	-	-
- Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	11,877	23,363	44,711	60,217
Other financial liabilities	19	2,943	2,943	2,943	2,943
Other current liabilities	20	517	1,017	56,940	1,56,773
<b>Total Equity and Liabilities</b>		<b>3,01,122</b>	<b>2,86,988</b>	<b>5,32,029</b>	<b>11,14,635</b>

**Revenue Assumptions**

Revenue Streams	Amount in '000			
	Mar-25	Mar-26	Mar-27	Mar-28
<b>Revenue 1 - Revenue from Users</b>				
<b>No of Users</b>	<b>1,00,000</b>	<b>2,60,000</b>	<b>5,00,000</b>	<b>10,00,000</b>
Individual	80,000	2,08,000	4,00,000	8,00,000
Corporate	20,000	52,000	1,00,000	2,00,000
<b>Revenue per user</b>				
Individual	-	1,870	935	935
Corporate	-	3,570	1,785	1,785
<b>Total Revenue</b>	<b>0</b>	<b>287300</b>	<b>552500</b>	<b>1105000</b>
<b>Total Revenue</b>	<b>₹ 0</b>	<b>₹ 2,87,300</b>	<b>₹ 5,52,500</b>	<b>₹ 11,05,000</b>
<b>Revenue 2 - Advertisement on Our App</b>				
No of days	365	730	365	365
Rate per minute - Prime hours	1,000	2,000	1,000	1,000
Rate per minute - Non prime hours	500	1,000	500	500
No. of adds - Prime Hours per day	-	-	240	240
No. of adds - Non Prime Hours per day	-	-	240	240
Revenue	₹ 0	-	131400	131400
<b>Total Revenue</b>	<b>₹ 0</b>	<b>-</b>	<b>₹ 1,31,400</b>	<b>₹ 1,31,400</b>
<b>Total Revenue (1+2)</b>	<b>₹ 0</b>	<b>₹ 2,87,300</b>	<b>₹ 6,83,900</b>	<b>₹ 12,36,400</b>



**Cost Assuptions**

Type of Direct Costs	Amount in '000			
	Mar-25	Mar-26	March-27	March-28
App Development and Maintenance	1,00,000	1,20,000	1,20,000	1,20,000
Payment Gateway Commission	0	6,033	11,603	23,205
<b>% of revenue</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.1%</b>
Server cost	3825	45900	102000	102000
<b>Total Direct Costs</b>	<b>₹ 1,03,825</b>	<b>₹ 1,71,933</b>	<b>₹ 2,33,603</b>	<b>₹ 2,45,205</b>
Type of Indirect Costs	Mar-25	Mar-26	March-27	March-28
Office Rent	555	2275.5	2389.275	2508.73875
Marketing	5000	57460	110500	221000
<b>% of revenue</b>	<b>20%</b>	<b>23%</b>	<b>20%</b>	<b>18%</b>
Miscellaneous	₹ 0	₹ 0	2628	2628
<b>% of revenue</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>
Lease Line cost	600	2,400	2,520	2,520
Server Security	255	1,020	1,071	1,071
AMC- Hardware & Software	300	1,200	1,260	1,260
	0	0	0	0
<b>Total Indirect Costs</b>	<b>₹ 6,710</b>	<b>₹ 64,356</b>	<b>₹ 1,20,368</b>	<b>₹ 2,30,988</b>



## 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

#### Litigations by our Company

##### **Criminal proceeding by our Company**

Nil

#### Revenue Matters:

Nil





**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWERS**

Neither our Company, our Promoters, 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 is Nil amount due to MSME as on March 31, 2024, March 31, 2023, March 31, 2022.**



## 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 working capital requirement, and in the capital expenditure, 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 107 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 **November 20, 2024** 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 [●].

Our Board, in its meeting held on November 20, 2024 has resolved to issue the fully paid-up Equity Shares to the Eligible Equity Shareholders, at Rs. 10/- per Equity Share aggregating up to Rs. 20.00 Crore The Issue Price is [●] 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 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 their respective letters each dated [●]. Our Company will also make application to BSE 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 139 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 Promoters 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 willful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful 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 and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of 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 has made application to the Stock Exchange for the in-principal approval for listing of the Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

### **Compliance with Part B of Schedule VI of the SEBI ICDR Regulations**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

### **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. 2,000.00 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 Draft 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 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 Delhi, India only.

### **Designated Stock Exchange**

The Designated Stock Exchange for the purpose of the Issue is BSE.

### **Listing**

Our Company will apply to BSE 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 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.

#### **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 LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE 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, 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, Draft 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 authorised 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 Regulations 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, BAHRAIN, 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 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 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, the Registrar to the Issue, Expert 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.

### **Expert Opinion**

Our Company has not obtained any expert opinion.

### **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 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 Exchange 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 Exchange.

### **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 139. 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**

##### **Skyline Financial Services Private Limited**

D-153 A, 1st Floor, Okhla Industrial Area, Delhi-110020.

Tel No.: 011-26812682

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

E-mail ID: [admin@skylinerta.com](mailto:admin@skylinerta.com)/[info@skylinerta.com](mailto:info@skylinerta.com)

Contact Person: Mr. Anuj Rana

SEBI Registration No: INR000003241

**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**

##### **Mr. Bhag Chand Shrama**

Farsh Gali, Pali Bazar, Beawar, Ajmer Rajasthan-305901

Email: [admin@kairosoft.ai](mailto:admin@kairosoft.ai)

Website: [www.@kairosoft.ai](http://www.@kairosoft.ai)

Tel: +91-9818502247



Investors may contact the Company Secretary and Compliance Officer at the above-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 2022: Nil
- ii. Total number of complaints received during Fiscal 2023: Nil
- iii. Total number of complaints received during Fiscal 2024: Nil
- iv. 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**

M/s S Agarwal & Co. has been appointed as Statutory Auditors of the Company from 29<sup>th</sup> August, 2024 for a period of one year commencing from the conclusion of the Next Annual General Meeting of the Company (i.e for the FY 2024-25 until till conclusion of the next Annual General Meeting).

### **Minimum Subscription**

The objects of the Issue are To meet out the Working Capital Requirements, Capital Expenditure in requirements for the purchase of laptops/servers/ printers and other equipment's and General Corporate Purpose. However, our promotor has indicated that they will not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirements of minimum subscription are applicable to the issue.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "Terms of the Issue" on page 131 of this Draft Letter of Offer.



## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Right Issue Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.*

*This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Draft Letter of Offer, the Abridged Draft 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, FEMA, FEMA Rules, 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, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchange 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 Abridged Draft 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.

Shareholders can access this Draft Letter of Offer, the Abridged Draft 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.kairosoft.ai](http://www.kairosoft.ai);
- (ii) The Registrar at [www.skylinerta.com](http://www.skylinerta.com);
- (iii) The Stock Exchange at [www.bseindia.com](http://www.bseindia.com);

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., Skyline Financial Services Private Limited at [www.skylinerta.com](http://www.skylinerta.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.kairosoft.ai](http://www.kairosoft.ai)).

**Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Draft 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 this Draft Letter of Offer, Abridged Draft 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 Exchange. 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 131.

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 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.

### **Making of an 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 Exchange. 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 kairosoft AI Solutions 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 to be paid at the rate of Rs. 10 per Equity Share (On Application payable Rs. 2.50 per Equity Share and balance amount of Rs. 7.50 will be paid on subsequent calls);
- (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, its 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.skylinerta.com](http://www.skylinerta.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 Renouces 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 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 Exchange.
- 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 an 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 demand s.
- 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 certificates 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 [•], 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 Exchange 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 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 Exchange.

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.skylinerta.com](http://www.skylinerta.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.kairosoft.ai](http://www.kairosoft.ai)).

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 Exchange 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 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.skylinerta.com](http://www.skylinerta.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 suspended for debit or credit 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 [•] 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**

### **Renounces**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounce(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 Exchange 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 Exchange (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 Exchange 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 Exchange under [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange 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 Exchange 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 [●] (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 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 dematerialized 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 Renouces on or prior to the Issue Closing Date to enable Renouces 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 [●], 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 with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation being the regional language of Delhi, where our



Registered Office is situated). 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 14 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.

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.

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 the Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after the 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 Renounces who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

### **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 Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 10 (Ten) fully paid-up Equity Shares for every 1 (one) fully paid-up Equity Shares held as on the Record Date). As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than 2 (Two) Equity Shares or is not in the multiple of 2 (Two) Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Shares over and above their Rights Entitlements, if any, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 1 (One) Equity Share, such Equity Shareholder will be entitled to 45 (Forty) fully paid-up Rights Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Share if such Eligible Equity Shareholder has applied for additional Rights Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.

Such Eligible Shareholders are entitled to apply for additional Rights Shares and will be given preference in the Allotment of one Rights Shares, if such Eligible Shareholders apply for additional Rights Shares, subject to availability of Rights 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 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 Exchange 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-principal approval from the BSE through letter bearing reference number [●] dated [●]. 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 (Scrip Code: 506122) under the ISIN: INE820M01018. The 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 Exchange, 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 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 Draft 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 Hindi language national daily newspaper with wide circulation being the regional language of Delhi, 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 Exchange 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 Skyline Financial Services Private Limited at [www.skylinerta.com](http://www.skylinerta.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 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 Exchange. 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. by mail at [www.skylinerta.com](http://www.skylinerta.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/Trading (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 Renounces on or prior to the Issue Closing Date.*

*\*\*Our Board or the Rights Issue Committee, duly constituted and authorized by the Board of Directors in their meeting 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.*, [●].

#### 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 Renounce(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 on equitable basis giving due regard to the holdings as on the record date and will not be a preferential allotment.
- (d) Allotment to Renouces 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 EXCHANGE 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) Renounces 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 Exchange 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:

##### **Skyline Financial Services Private Limited**

D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110020.

Tel No.: 011-26812682

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

E-mail ID: [admin@skylinerta.com](mailto:admin@skylinerta.com)/[info@skylinerta.com](mailto:info@skylinerta.com)

Contact Person: Mr. Virender Rana

SEBI Registration No: INR000003241

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 (i.e, Skyline Financial Services Private Limited at [www.skylinerta.com](http://www.skylinerta.com)). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 011-26812682.

(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.skylinerta.com](http://www.skylinerta.com)).
5. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: [www.skylinerta.com](http://www.skylinerta.com)).
6. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: [www.skylinerta.com](http://www.skylinerta.com)).
7. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: [admin@skylinerta.com](mailto:admin@skylinerta.com)/[info@skylinerta.com](mailto:info@skylinerta.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 Closing 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 fall 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 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 November 14, 2024 between our Company and M/s Skyline Financial Services Private Limited, Registrar to the Issue.
2. Tripartite Agreement dated March 06, 2012 between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
3. Tripartite Agreement dated June 12, 2012 between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;
4. Banker(s) to the Issue Agreement dated November 14, 2024 amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).

#### **(B) DOCUMENTS FOR INSPECTION**

5. Certified copy of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
6. Certificate of Incorporation dated May 29, 1982.
7. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated November 14, 2024 authorizing the Issue.
8. Copy of the resolution passed by the Right Issue Committee dated November 14, 2024 approving the Letter of offer and November 14, 2024 for approving Letter of Offer.
9. Resolution passed by the Board of Directors dated November 14, 2024 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;



Annual reports of our Company for the financial years ended March 31, 2022, 2023 and 2024 and Audited Standalone financial results for the quarter and year ended 31<sup>st</sup> March, 2024 dated 30<sup>th</sup> May, 2024 and Unaudited Financial Results for the quarter ended September 30, 2024 dated 14<sup>th</sup> November, 2024;

11. A statement of tax benefits dated November 14, 2024, received from M/s. S Agarwal & Co., Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders;
12. Certificate dated November 14, 2024 from M/s. S Agarwal & Co., Chartered Accountants regarding "Sources & deployment of funds";
13. In-principle listing approval(s) dated [●] from BSE Limited;

Any of the contracts or documents mentioned in the 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 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
Mr. Sagar Khurana Managing Director DIN: 07691118	Sd/-
Mr. Santosh Kumar Kushawaha Executive Director DIN: 02994228	Sd/-
Mr. Achal Kapoor Independent Director DIN: 09150394	Sd/-
Ms. Anupama Kashyap Independent Director DIN: 09720124	Sd/-
Mr. Dev Ram Non-Executive and Non- Independent Director DIN:09003288	Sd/-
Mr. Raman Kumar Chief Financial Officer PAN: ALBPK9200A	Sd/-
Mr. Bhag Chand Sharma Company Secretary and Compliance officer PAN: BIAPS5405A	Sd/-

**Place: New Delhi**

**Date: November 20, 2024**