



Letter of Offer
January 23, 2023
For Eligible Equity Shareholders Only

EDVENSWA ENTERPRISES LIMITED
(Formerly known as **KLK Electrical Limited**)

Our Company was incorporated as “**KLK Electrical Industries Private Limited**” on April 18, 1980 as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation granted by the Registrar of Companies, Chennai. Thereafter, our Company was converted into public limited company with effect from December 26, 1985 and pursuant to that, the name of our company was changed to “**KLK Electrical Industries Limited**”. Subsequently, the name of our Company was changed to “**KLK Electrical Limited**” vide a fresh certificate of incorporation issued by the Registrar of Companies, Chennai at Tamil Nadu on November 11, 2003. The name of our Company further changed to “**Edvenswa Enterprises Limited**” vide a fresh certificate of incorporation issued by the Registrar of Companies, Chennai at Tamil Nadu on November 22, 2022. For details of changes in the name and registered office of the Company, refer chapter titled “**General Information**” on page 37.

Registered office: Plot No. 85, Shop No.1, 4th Street, Ganesh Avenue, Sakthi Nagar, Porur, Chennai - 600116, Tamil Nadu, India;
Corporate office: Ground Floor, HIG-66, Madhab Nagar, Ramachandrapuram, Hyderabad – 500032, India;
Contact Person: Mrs. Hima Bindu Dulipala, Company Secretary & Compliance Officer; **Tel No:** +91 91000 52964
E-Mail ID: himabindu@edvenswainc.com; **Website:** www.klk.co.in; **Corporate Identity Number:** L72300TN1980PLC008230

OUR PROMOTERS: (I) MR. SREENIVASA SREEKANTH UPPULURI AND (II) MR. YERRADODDI RAMESH REDDY
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY

ISSUE OF UP TO 90,80,000 EQUITY SHARES OF FACE VALUE OF ₹10/- (RUPEES TEN ONLY) (“RIGHTS EQUITY SHARES”) EACH AT A PRICE OF ₹25/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹15/- PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹2270.00 LAKHS⁽¹⁾ ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARE FOR EVERY 1 (ONE) FULLY PAID-UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, FEBRUARY 07, 2023 (“THE ISSUE”). FOR FURTHER DETAILS, KINDLY REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 180 OF THIS LETTER OF OFFER.

⁽¹⁾ Assuming full subscription with respect to Rights Equity Shares

WILFUL DEFAULTER OR A FRAUDULENT BORROWER

Neither our Company nor our Promoters or any of our directors have been or are identified as Wilful Defaulter and/or Fraudulent Borrower by any bank or the financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the Reserve Bank of India.

GENERAL RISKS


Investment 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 Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Investors are advised to refer to the “**Risk Factors**” on page 20 of this Letter of Offer before making an investment in the Issue.

ISSUER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 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 the **BSE Limited (“BSE”)**. Our Company has received “in-principle” approval from BSE for listing the Rights Equity Shares through their letter dated January 13, 2023. For the purposes of the Issue, the Designated Stock Exchange is BSE. Our Company will also make applications to the BSE to obtain trading approvals 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.

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE | REGISTRAR TO THE COMPANY |
|---|--|--|
|  <p>FINSHORE Creating Enterprise Managing Values</p> <p>FINSHORE MANAGEMENT SERVICES LIMITED “Anandlok”, Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal Telephone: +91 33 22895101 / +91 33 4603 2561 Email ID: info@finshoregroup.com Investor Grievance ID: investors@finshoregroup.com Website: www.finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 CIN: U74900WB2011PLC169377</p> |  <p>CAMEO</p> <p>CAMEO CORPORATE SERVICES LIMITED “Subramanian Building”, No. 1, Club House Road, Chennai - 600 002, Tamil Nadu, India Telephone: +91 44-40020700 (5 lines) Email: priya@cameoindia.com Investor Grievance ID: investor@cameoindia.com Website: www.cameoindia.com Contact Person: Ms. K. Sreepriya SEBI Registration Number: INR000003753 CIN: U67120TN1998PLC041613</p> |  <p>AARTHI CONSULTANTS (P) LIMITED 1-2-285, Domalguda, Hyderabad – 500029 Telephone: 040 – 27638111 / 27634445 Email ID: info@aarthiconsultants.com Investor Grievance ID: info@aarthiconsultants.com Website: www.aarthiconsultants.com Contact Person: Mr. AVS Srinivasa Rao SEBI Registration Number: INR000000379 CIN: U74140TG1992PTC014044</p> |

ISSUE PROGRAMME

| ISSUE OPENS ON | LAST DATE FOR ON MARKET RENUNCIATION* | ISSUE CLOSES ON [#] |
|------------------------------------|---------------------------------------|----------------------------------|
| THURSDAY, FEBRUARY 16, 2023 | WEDNESDAY, MARCH 01, 2023 | WEDNESDAY, MARCH 08, 2023 |

Pursuant to the January 22 – Rights Issue Circular, SEBI has introduced the concept of credit of Rights Entitlements into the demat accounts of the Eligible Equity Shareholders, which can be renounced by them by way of On Market Renunciation or Off Market renunciation. Further, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made only in dematerialised form.

*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 Renounees on or prior to the Issue Closing Date.

[#]Our Board of Directors 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 (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto as amended from time to time.

The words and expressions used in this Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

General Terms

| TERMS | DESCRIPTIONS |
|---|---|
| “Edvenswa”, “EEL”, “KLK”, “The Company”, “Our Company”, or “Issuer” | Unless the context otherwise indicates or implies, “Edvenswa Enterprises Limited” (formerly “KLK Electrical Limited”), a public limited company incorporated under the provision of Companies Act, 1956 and having its Registered Office at Plot No. 85, Shop No.1, 4 th Street, Ganesh Avenue, Sakthi Nagar, Porur, Chennai - 600116, Tamil Nadu, India |
| “We”, “Our”, or “us” | Unless the context otherwise indicates or implies, refers to our Company together with our subsidiary and Group Companies as applicable. |
| Our Promoters or Promoters of the Company | The promoters of our Company being (I) Mr. Sreenivasa Sreekanth Uppuluri and (II) Mr. Yerradoddi Ramesh Reddy |
| Promoter Group | Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed by our Company to the Stock Exchange from time to time |
| “Edvenswa Group” or “Our Group” | Unless the context otherwise indicates or implies, refers to our Company together with EDVENSWA TECH INC and Edvenswa Tech Private Limited. |

Conventional Terms

| TERMS | DESCRIPTIONS |
|--|---|
| ACIT | Assistant Commissioner of Income Tax. |
| AIF(s) | The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| Air Act, 1981 | Air (Prevention and Control of Pollution) Act, 1981. |
| CAGR | Compounded annual growth rate |
| Category I Foreign Portfolio Investor(s) | FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations. |
| Category II Foreign Portfolio Investor(s) | FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations. |
| Category III Foreign Portfolio Investor(s) | FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations. |
| Companies Act, 1956 | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under. |
| Companies Act/Companies Act, 2013 | Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under. |
| Competition Act | The Competition Act, 2002. |
| Consolidated FDI Policy | Consolidation FDI Policy dated October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time. |
| CST Act | Central Sales Tax Act, 1956. |
| COVID/COVID-19 | 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. |
| Exchange Information | Collectively constitutes and includes, but is not limited to, a description of the nature of our Company’s business and our Company’s most recent balance sheet and profit and loss account, and similar statements for preceding years together with press releases, announcements, investor education presentations and annual reports. |

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| FCNR Account | Foreign currency non-resident account. |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations there under. |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000. |
| FII(s) | Foreign Institutional Investors as defined under the SEBI FPI Regulations. |
| Financial Year/ Fiscal/ Fiscal Year/F.Y. | Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated. |
| Foreign Portfolio Investor or FPI | Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India. |
| Fugitive economic offender | “Fugitive economic offender” shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018) |
| FVCI | Foreign Venture Capital Investor, registered under the FVCI Regulations. |
| FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000. |
| Hazardous Waste Rules, 2008 | Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008. |
| HUF | Hindu Undivided Family. |
| IBC | The Insolvency and Bankruptcy Code, 2016 |
| Income Tax Act or the I.T. Act / IT Act | The Income Tax Act, 1961, as amended till date. |
| Ind AS | New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended. |
| Ind GAAP | Generally Accepted Accounting Principles in India. |
| IFRS | International Financial Reporting Standards |
| LLP Act | The Limited Liability Partnership Act, 2008. |
| Notified Sections | The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this Letter of Offer. |
| NRE Account | Non-resident external account. |
| NRO Account | Non-resident ordinary account. |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934. |
| SCRA | Securities Contracts (Regulation) Act, 1956. |
| SCRR | Securities Contracts (Regulation) Rules, 1957. |
| SEBI | The Securities and Exchange Board of India, constituted under the SEBI Act. |
| SEBI Act | Securities and Exchange Board of India Act, 1992. |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. |
| SEBI VCF Regulations | The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996. |
| Securities Act | U.S. Securities Act of 1933, as amended. |
| State Government | The government of a state of the Union of India. |
| STT | Securities Transaction Tax. |
| Sub-account | Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporate or foreign individuals. |
| Water Act, 1974 | Water (Prevention and Control of Pollution) Act, 1974. |

Issue Related Terms

| TERMS | DESCRIPTIONS |
|--------------------------------------|--|
| “Abridged Letter of Offer” or “ALOF” | Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013. |
| “Allot”, “Allotment” or “Allotted” | Allotment of Rights Equity Shares pursuant to this Issue. |
| “Allotment Accounts” | The accounts to be opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful |

| TERMS | DESCRIPTIONS |
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| | Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013. |
| “Allotment Date” | Date on which the Allotment shall be made pursuant to this Issue. |
| “Allottee(s)” | Person(s) who shall be Allotted Rights Equity Shares pursuant to the Allotment. |
| “Application” | Application made through 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. |
| “Application Form” or Composite Application Form / CAF | The form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue. |
| “Applicant(s)” or “Investor(s)” | Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Letter of Offer. |
| Application Amount | The number of Equity Shares applied for and as indicated in the Application Form or Composite Application Form / CAF multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form. |
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form. |
| Allot/Allotment/Allotted of Equity Shares | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Application Supported by Blocked Amount/ASBA | An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount/Application money in the ASBA Account. |
| ASBA Account | A bank account maintained with an SCSB and specified in the ASBA Form submitted by Applicants for blocking the Bid Amount mentioned in the ASBA Form. |
| ASBA Applicant(s) | Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this Letter of Offer. |
| ASBA Application Location(s)/Specified Cities | Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time. |
| ASBA Bid | Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations. |
| ASBA Circulars | Collectively, the SEBI circulars bearing reference numbers SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, CIR/CFD/DIL/1/2011 dated April 29, 2011, and SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. |
| ASBA Forms | An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Letter of Offer. |
| Banker to the Issue/Refund Bank | Bank which are clearing members and registered with SEBI as banker to an issue/Refund Bank and with whom the Rights Issue Account will be opened, in this case being “ Kotak Mahindra Bank Limited ”. |
| Banker to the Issue Agreement | Agreement dated January 21, 2023 entered into by and amongst the Company, Lead Manager, the Registrar and the Banker of the Issue for collection of the Application Money from Investors making an application through the ASBA facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under the Issue, as described in the Section “ <i>Terms of the Issue</i> ” beginning on page 180 of this Letter of Offer. |
| BSE | BSE Limited |
| Business Day | Monday to Saturday (except public holidays). |

| TERMS | DESCRIPTIONS |
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| CAN or Confirmation of Allocation Note | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange. |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account. |
| Collection Centers | Centers at which the Designated Intermediaries shall accept the ASBA Forms. |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI. |
| Controlling Branches of SCSBs | Such branches of the SCSBs which coordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Demographic Details | The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details. |
| Depository/Depositories | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL. |
| Depository Participant/DP | A depository participant as defined under the Depositories Act, 1966. |
| Designated CDP Locations | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., www.bseindia.com . |
| Designated Date | The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Rights Issue Account, as appropriate in terms of the Letter of Offer and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange. |
| Designated Intermediaries/Collecting Agent | An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names are mentioned on website of the stock exchanges as eligible for this activity). |
| Designated RTA Locations | Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., www.bseindia.com . |
| Designated Stock Exchange | BSE Limited |
| DP ID | Depository Participant's Identity number. |
| Eligible NRI(s) | NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Letter of Offer constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof. |
| Eligible QFIs | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Letter of Offer constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants. |
| Electronic Transfer of Funds | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable. |
| Equity Shares | Equity Shares of our Company of face value ₹10/- each. |
| FII/Foreign Institutional Investors | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| First/Sole Applicant | The Applicant whose name appears first in the Application Form or Revision Form. |
| Foreign Venture Capital Investors | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000. |

| TERMS | DESCRIPTIONS |
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| FPI / Foreign Portfolio Investor | A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended. |
| Issue/Rights Issue Issue/Issue Size Rights Issue | Rights Issue of upto 90,80,000 Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹25/- (including a premium of ₹15/- per Rights Equity Shares) per Equity Share aggregating up to ₹2,270.00 lakh by our Company on a rights basis to Eligible Shareholders in the ratio of 1 (One) Rights Equity Shares for every 1 (One) fully paid-up Equity Share held on the Record Date i.e., February 07, 2023 . |
| Issue Agreement | The Issue Agreement dated November 18, 2022 between our Company and Lead Manager. |
| Issue Closing Date | The date on which Issue Closes for Subscription. |
| Issue Materials | The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Forms, including any notices, corrigendum thereto. |
| Issue Opening Date | The date on which Issue Opens for Subscription. |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application. |
| Issue Price | ₹25/- per Rights Equity Share including a security premium of ₹15/- per Equity Share. |
| Issue Proceeds | The proceeds of the Issue that are available to our Company. |
| Lead Manager/LM | Finshore Management Services Limited |
| Listing Agreement | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited. |
| Mutual Fund(s) | Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| NPCI | National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA) |
| “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 Exchanges, from time to time, and other applicable laws, on or before March 01, 2023 . |
| “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. |
| Overseas Corporate Body/OCB | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. |
| Other Investors | Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| Person/ Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| “Record Date” | Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being February 07, 2023 . |
| “Renouncee(s)” | Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars. |
| “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 March |

| TERMS | DESCRIPTIONS |
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| | 01, 2023 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date. |
| “Rights Entitlements”/ “REs” | The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being 1 (One) Rights Equity Share for every 1 (One) Equity Share held by an Eligible Equity Shareholder, on the Record Date. |
| “Rights Entitlement Letter” | Letter including details of Rights Entitlements of the Eligible Equity Shareholders. |
| “Rights Equity Shareholders” | A holder of the Rights Equity Shareholders, from time to time. |
| “Rights Equity Shares” | Equity shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment. |
| Rights Issue Account | The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date. |
| Qualified Institutional Buyers or QIBs | A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Registered Brokers | Stockbrokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate. |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI. |
| Registrar to this Issue / Registrar / RTI | Registrar to the Issue in our case is “ <i>Cameo Corporate Services Limited</i> ”. |
| Registrar to the Issue / RTI Agreement | The agreement dated November 10, 2022 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue. |
| Registrar and Transfer Agents / RTA to the Company | Registrar to the Company is “Aarthi Consultants Private Limited” |
| Regulations | SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time. |
| Reserved Category(ies) | Categories of persons eligible for making application under reservation portion. |
| Retail Individual Investors/ RIIs | Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹ 2 Lakh in this Issue. |
| Revision Form | The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable. |
| Self-Certified Syndicate Bank(s) or SCSB(s) | Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . |
| Specified Locations | Collection Centers where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time. |
| SEBI (ICDR) Regulations / ICDR Regulation / Regulation | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Takeover Regulations or SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time. |
| SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ SEBI (LODR) | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereto, including instructions and clarifications issued by SEBI from time to time. |

| TERMS | DESCRIPTIONS |
|---|---|
| Transaction Registration Slip /TRS | The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application. |
| UPI | Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address that uniquely identifies a person's bank a/c. |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended. |
| 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 |
| Willful Defaulter(s) or a Fraudulent Borrower (s) | A person or an issuer who or which is categorized as a willful defaulter or a fraudulent borrower by any bank or the financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters or a fraudulent borrower issued by the Reserve Bank of India, as defined under Regulation 2(1) (lll) of SEBI ICDR Regulations 2018. |

Company Related Terms

| TERMS | DESCRIPTIONS |
|--|---|
| AGM | Annual General Meeting |
| “Articles” or “Articles of Association” or “AOA” | The Articles of Association of our Company, as amended from time to time. |
| Auditor / Statutory Auditor | The Statutory Auditors of our Company, being M/s. Anant Rao & Mallik , Chartered Accountants, having its office at Flat B-409/410, Kushal Towers, No. 6-2-975, Khairatabad, Hyderabad – 500004, Telangana, India. |
| Audit Committee | Audit Committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed by our Company to the Stock Exchange from time to time. |
| “Board of Director(s)” or “the/our Board” | Unless otherwise specified, The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof. |
| “CFO” or Chief Financial Officer | The Chief Financial Officer of our Company being “ Mr. Uppuluri Krishna Murthy ”. |
| CIN | Corporate Identification Number being L72300TN1980PLC008230 . |
| Company Secretary & Compliance Officer | The Company Secretary & Compliance Officer of our company being “ Mrs. Hima Bindu Dulipala ”. |
| Corporate Office | The Corporate Office of the Company is presently situated at Ground Floor, HIG-66, Madhav Nagar, Ramachandrapuram, Hyderabad – 500032, India. |
| DIN | Directors Identification Number. |
| Director/Director(s) | The directors of our Company, unless otherwise specified. |
| Equity Shares | The Equity Shares of our Company of face value of ₹10/- each, fully paid-up, unless otherwise specified in the context thereof. |
| Equity Shareholders | Persons/Entities holding Equity Shares of our Company. |
| Export | Export means taking goods out of India to a place outside India. |
| Group Companies/Entities | Such companies with which there were related party transactions, during the period for which financial information is disclosed in this Letter of Offer, which are covered under the applicable accounting standards and other companies as considered material by our Board. |
| Import | Import means bringing goods into India from a place outside India. |
| Independent Director | Non-executive Independent Director as per the Companies Act, 2013. |
| JV / Joint Venture | A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities. |
| ISIN | International Securities Identification Number |

| TERMS | DESCRIPTIONS |
|--|---|
| KMP / Key Managerial Personnel | Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 80 of this Letter of Offer. |
| MD | Managing Director of our company |
| Materiality Policy | A policy adopted by our Company for the identification of material litigation(s) for the purpose of disclosure of the same in this Letter of Offer. |
| Memorandum/Memorandum of Association/MoA | The Memorandum of Association of our Company, as amended from time to time. |
| Nomination and Remuneration Committee | Nomination and Remuneration committee of our Company constituted in accordance with the Companies Act, 2013. |
| Non-Residents | A person resident outside India, as defined under FEMA Regulations, 2000 |
| Promoters | Shall mean promoters of our Company as mentioned in this Letter of Offer. |
| Registered Office | The Registered Office of the Company is presently situated at Plot No. 85, Shop No.1, 4 th Street, Ganesh Avenue, Sakthi Nagar, Porur, Chennai - 600116, Tamil Nadu, India. |
| RoC/Registrar of Companies | The Registrar of Companies, Chennai, Tamil Nadu located at Registrar of Companies, Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai – 600034, Tamil Nadu, India. The same shall change upon receipt of approval of change of registered office of the Company from the Regional Director and ROC. |
| Shareholders | Shareholders of our Company |
| Subscriber to MOA / Initial Promoters | Initial Subscriber to MOA |
| WTD | Whole Time Director of our Company |

Technical and Industry related terms

| TERMS | DESCRIPTIONS |
|------------|---|
| AI | Artificial Intelligence |
| API | Application Programming Interface |
| ASSOCHAM | Associated Chambers of Commerce of India |
| BFSI | Banking, Financial Services and Insurance |
| CAGR | Compounding Annual Growth Rate |
| CPI | Consumer Price Index |
| CSO | Central Statistics Office’s |
| DGGI | Director General of Goods & Services Tax Intelligence |
| DIPP | Department of Industries Policy and Promotion |
| EPFO | Employees’ Provident Fund Organisation |
| ESI | Employee State Insurance |
| EU | European Union |
| FCNR | Foreign Currency Non-Resident |
| FDI | Foreign Direct Investment |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GST | Goods and Service Tax |
| GVA | Gross Value Added |
| G-sec | Government Securities |
| IBEF | Indian Brand Equity Foundation |
| IMF | International Monetary Fund |
| IoT | Internet of Things |
| IT | Information Technology |
| ITeS | Information Technology enabled Services |
| MNC | Multinational Corporation |
| MOU | Memorandum of Understanding |
| MSMEs | Micro, Small and Medium Enterprises |
| NITI Aayog | National Institution for transforming India |
| NMP | National Manufacturing Policy |

| | |
|----------|------------------------------|
| OSP | Other Service Provider |
| PMA | Preferential Market Access |
| PSUs | Private Sector Units |
| RBI | Reserve Bank of India |
| R&D | Research and Development |
| SaaS | Software as a Service |
| SEZ | Special Economic Zone |
| TFA | Trade Facilitation Agreement |
| UI | User Interface |
| US / USA | United States of America |
| WPI | Wholesale Price Index |

Abbreviations

| TERMS | DESCRIPTIONS |
|---------------------------|--|
| ₹ or Rupees or INR or Rs. | Indian Rupees. |
| APAC | Asia Pacific |
| AGM | Annual General Meeting. |
| AS/Accounting Standards | Accounting Standards issued by the Institute of Chartered Accountants of India. |
| A.Y. | Assessment year. |
| BPLR | Bank Prime Lending Rate. |
| CA | Chartered Accountant, who is a member of the Institute of Chartered Accountants of India |
| CAPEX | Capital expenditures |
| CARO | Companies (Auditor's Report) Order, 2020. |
| CDSL | Central Depository Services (India) Limited. |
| CIN | Corporate Identity Number. |
| COVID-19 | Coronavirus disease is an infectious disease |
| CS | Company Secretary, who is a member of the Institute of Company Secretaries of India |
| CSR | Corporate Social Responsibility. |
| DIN | Director Identification Number. |
| DP ID | Depository participant's identification. |
| ECS | Electronic Clearing System. |
| EBITDA | Earnings before Interest, Tax Depreciation and Amortisation. |
| EGM | Extraordinary General Meeting of the Shareholders of the Company. |
| EPS | Earnings Per Share. |
| ESOS | Employee Stock Option Scheme. |
| FDI | Foreign direct investment. |
| FIPB | Foreign Investment Promotion Board. |
| GIR | General index register. |
| GoI/Government | Government of India. |
| GST | Goods & Service Tax |
| HNI | High Net Worth Individual. |
| HUF | Hindu Undivided Family. |
| ICAI | Institute of Chartered Accountants of India. |
| IFRS | International Financial Reporting Standards. |
| Indian GAAP | Generally Accepted Accounting Principles in India. |
| ISO | International Organization for Standardization. |
| IST | Indian Standard Time |
| IT Act | The Income Tax Act, 1961, as amended. |
| IT Rules | The Income Tax Rules, 1962, as amended. |
| JV | Joint Venture. |
| KPI | Key Performance Indicators |
| LLP | Limited Liability Partnership |
| LLC | Limited Liability Company |
| MCA | Ministry of Corporate Affairs, Government of India. |
| MoU | Memorandum of Understanding. |
| N.A. | Not Applicable. |

| TERMS | DESCRIPTIONS |
|---------------------|---|
| NAV/Net Asset Value | Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares. |
| NECS | National Electronic Clearing Services. |
| NEFT | National Electronic Fund Transfer. |
| NoC | No Objection Certificate. |
| No. | Number. |
| NR | Non-Resident. |
| NSDL | National Securities Depository Limited. |
| NTA | Net Tangible Assets. |
| p.a. | Per annum. |
| PAN | Permanent Account Number. |
| PAT | Profit After Tax. |
| PBT | Profit Before Tax. |
| PCB | Pollution Control Board. |
| P/E Ratio | Price per Earnings Ratio. |
| Pvt. | Private. |
| RBI | Reserve Bank of India. |
| RoC | Registrar of Companies. |
| RONW | Return on Net Worth. |
| RTGS | Real Time Gross Settlement. |
| SCN | Show Cause Notice. |
| SCSB | Self-Certified Syndicate Bank. |
| SME | Small and Medium Enterprises |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |
| TIN | Taxpayers Identification Number |
| UIN | Unique Identification Number. |
| US | United States. |
| US GAAP | Generally Accepted Accounting Principles in United States of America. |
| VAT | Value Added Tax. |
| w.e.f. | With effect from |
| WFH | Work from Home |
| YoY | Year on Year. |

The words and expressions used but not defined in this Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

NOTICE TO INVESTORS

The distribution of the Issue Materials and the Issue of Rights Entitlements or the Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Issue Material 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 as on Record Date and will dispatch the Issue Materials:

- (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses;
- (ii) through physical delivery only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company;
- (iii) through physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company or to their email address;
- (iv) to the e-mail addresses of the foreign corporate or institutional shareholders.

Those overseas shareholders, who have not updated their records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

The Issue Materials will also be provided by our Company to any existing eligible Shareholder who makes a request in this regard. Investors can also access the Issue Materials from the websites of the Registrar, our Company and on Stock Exchange.

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 the Draft Letter of Offer has been filed with BSE for observations. Accordingly, the Rights Entitlements or the Rights Shares may not be offered or sold, directly or indirectly and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, under such circumstances, Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Shares and should not be copied or redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the Issue of Rights Entitlements or the Rights Shares, distribute or send the same 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 or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If Issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlements, or the Rights Shares referred to in the Issue Materials. Envelopes containing the CAF should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the persons subscribing for the Rights Equity Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlement or the Rights Shares offered in this Issue will be deemed to have declared, represented, warranted, and agreed that she/he is authorized to acquire the Rights Entitlement or the Rights Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction.

Our Company, the Registrar or any other person acting on behalf of us reserve the right to treat any Application Form as invalid where we believe that the 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 Entitlement or Rights Shares in respect of any such Application Form.

Neither the delivery of Issue Materials 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 that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

THE CONTENTS OF THE ISSUE MATERIALS 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 OF RIGHT ENTITLEMENTS OR RIGHTS SHARES. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS

CONCERNING THE OFFER OF THE RIGHTS ENTITLEMENT OR THE RIGHTS SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS ENTITLEMENT OR THE RIGHTS SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENT OR THE RIGHTS SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Issue Materials. Any representation to the contrary is a criminal offence in the United States. The Right Entitlements or the Rights Shares of our Company have not been and will not be registered under United States Securities Act, 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 of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Issue Materials are being offered in India, but not in the United States. The offering to which the Issue Materials relate to is not and are under no circumstances to be construed as, an offering of any Right Entitlement or the Rights Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said Right Entitlement or the Rights Shares. Accordingly, the Issue Materials 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 subscriptions 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 and Rights Entitlement Letters 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 Right Entitlements or the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Equity Shares in India.

Any person who acquires Right Entitlements or Rights Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Right Entitlements or the Rights Shares, it will not be, in the United States when the buy order is made,
2. It is authorized to acquire the Right Entitlements or the Rights Shares in compliance with all applicable laws and regulations.

Our Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

Our Company, the Registrar, Lead Manager or any person acting on behalf of us, reserves the right to treat as invalid any Application Form which:

1. Appears to our Company or its agents to have been executed in or dispatched from the United States of America;
2. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations;
3. Where a registered Indian address is not provided; or
4. Where our Company believes that the 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 Entitlement or the Right in respect of any such Application Form.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

CERTAIN CONVENTIONS, USE OF FINANCIAL INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time (“IST”).

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

In this Letter of Offer, the terms “we”, “us”, “our”, “the Company”, “our Company”, “Issuer”, “Issuer Company”, “Edvenswa”, “EEL”, unless the context otherwise indicates or implies, refers to “Edvenswa Enterprises Limited”.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer has been derived from our Financial Statements. For details, please see “*Financial Information*” on page 91. Our Company’s financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards (“**Ind AS**”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“**IFRS**”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”).

The Restated Financial Statements of our Company, its Subsidiaries for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020 prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. The limited reviewed unaudited consolidated financial statements for the six months periods ended September 30, 2022, have been prepared in accordance with the Companies Act and SEBI Listing Regulations. Our Company publishes its financial statements in Rupees.

In this 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. Our Company has presented all numerical information in this Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000. Investors are also advised to note that One crore represents 1,00,00,000 and one billion represents 1,000,000,000 or one thousand million or ten thousand lakhs or one hundred crores.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 92.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points

in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

Our Company has presented certain numerical information in this Letter of Offer in “Lakh” or “Lac” units. One lakh represents 1,00,000. In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us, the LM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 20, this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

Exchange Rates

This Letter of Offer may contain 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:

| Currency | As at | | | |
|----------|---------------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2022 (₹) | March 31, 2022 (₹) | March 31, 2021 (₹) | March 31, 2020 (₹) |
| 1 USD | 81.55 | 75.81 | 73.50 | 75.39 |
| 1 EUR | 80.11 | 84.66 | 86.10 | 83.05 |

Source: RBI reference rate and <https://www.fbil.org.in/>

FORWARD LOOKING STATEMENTS

The Company has included statements in this Letter of Offer which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements 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, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled “*Risk Factors*”; “*Industry Overview*”; “*Our Business*”; and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”; beginning on page no. 20, 50, 66 and 162, respectively, of this Letter of Offer.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although 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. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Our inability to effectively manage our rapid growth, which could place significant demands on our management personnel, systems and resources;
- Our failure to attract and retain highly skilled IT professionals could result in our Company not having the necessary resources to properly staff projects;
- Our success depends substantially on the continuing services of our Promoter, senior executives and other key personnel;
- Substantial change in our Promoter’s shareholding will have an impact on the trading price of Equity Shares;
- We do not have long-term commitments with our customers, and our customers may terminate contracts before completion, negotiate adverse terms of the contract or choose not to renew contracts;
- We operate in a rapidly evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not continue to be successful;
- If we fail to integrate or manage acquired companies efficiently, or if the acquired companies are difficult to integrate, divert management resources or do not perform to our expectations, we may not be able to realise the benefits envisioned for such acquisitions;
- Our profitability will suffer if we are not able to maintain our resource utilisation levels and productivity levels; and
- If we are unable to collect our receivables from, or bill our unbilled services to, our customers, our results of operations and cash flows could be materially adversely affected.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchange. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Letter of Offer until the Equity Shares are allotted to the investors.

SECTION II: SUMMARY OF LETTER OF OFFER

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

(A) PRIMARY BUSINESS OF OUR COMPANY:

Edvenswa Enterprises Limited (*formerly KLK Electrical Limited*) is a Holding Company of Edvenswa Tech INC with consolidated business interests in software development, enterprise solution engaged in the business of providing a range of Information Technology (“IT”) solutions to companies across sectors such as Healthcare & Life Sciences, Supply Chain & Logistics, Banking & Financial Services, Energy, Education and Environment etc. We design, develop and maintain software systems and solutions, create new applications and enhance the functionality of our customers’ existing software applications using our proprietary tools, frameworks and processes which accelerate the overall delivery process with higher quality.

The Edvenswa Group delivers services across all stages of the Software Development life-cycle, which enables us to work with a wide-range of customers and allows us to develop, enhance and deploy our customers’ software applications. The various services offered by our Company are UI/UX Design & Development; Rapid Prototyping & Product Development for Customers; Enterprise Application Engineering; Software Quality Assurance; Business Process Automation using Robotic Process Automation (RPA) tools; Social/Mobile Application Development; Application Integration, Maintenance & Migration Services; Cloud Migration Services; DevOps Engineering; Data Management & Integration; Big Data, Analytics & Data Science related Services; Application Integration; Mobile Application Development & Integration; and Extended R&D Partnering etc.

Our comprehensive suite of service offerings allows us to attract new customers and expand existing customer relationships. We offer custom solutions for Smart Cities & Villages using the best of the breed solutions; We offer solutions to support continuous education of our Customers’ Workforce using our highly customizable and scalable Learning Management platform; We design and develop Intelligent Agents (ML/AI based) etc. to enhance operational efficiency of our customers and help in strategizing their business objectives.

For further detailed information, please refer to chapter titled “*Our Business*” beginning from page no. 66 of this Letter of Offer.

SUMMARY OF THE INDUSTRY IN WHICH OUR COMPANY OPERATES:

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

- According to National Association of Software and Service Companies (Nasscom), the Indian IT industry’s revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth.
- According to Gartner estimates, IT spending in India is expected to increase to US\$ 101.8 billion in 2022 from an estimated US\$ 81.89 billion in 2021.
- Indian software product industry is expected to reach US\$ 100 billion by 2025. Indian companies are focusing on investing internationally to expand their global footprint and enhance their global delivery centres.
- The data annotation market in India stood at US\$ 250 million in FY20, of which the US market contributed 60% to the overall value. The market is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI.
- Exports from the Indian IT industry stood at US\$ 149 billion in FY21. Export of IT services has been the major contributor, accounting for more than 51% of total IT export (including hardware). BPM and Engineering and R&D (ER&D) and software products export accounted for 20.78% each to total IT exports during FY21. ER&D market is expected to grow to US\$ 42 billion by 2022.
- The IT industry added 4.45 lakh new employees in FY22, bringing the total employment in the sector to 50 lakh employees.

Source: www.ibef.org

For further detailed information, please refer to chapter titled “*Industry Overview*” beginning from page no. 50 of this Letter of Offer.

(B) NAME OF THE PROMOTERS OF OUR COMPANY:

Mr. Sreenivasa Sreekanth Uppuluri and Mr. Yerradoddi Ramesh Reddy are the promoters of our company.

(C) OBJECTS OF THE ISSUE:

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects:

(Rs. In Lakhs)

| Particulars | Estimated Amount | % of total issue size | Amount to be deployed from offer proceeds |
|---|------------------|-----------------------|---|
| Expansion of Business operations in India | 315.00 | 13.88% | 315.00 |
| Investment in our wholly owned Subsidiary Company for expansion of business | 1,500.00 | 66.08% | 1,500.00 |
| General corporate purposes | 400.00 | 17.62% | 400.00 |
| Issue related expenses | 55.00 | 2.42% | 55.00 |
| Total Issue Proceeds * | 2,270.00 | 100.00% | 2,270.00 |

*Assuming Full Subscription

For further details, please refer chapter “*Objects of the Issue*” beginning from page no. 44 of this Letter of Offer.

(D) INTENTION AND EXTENT OF PARTICIPATION IN THE ISSUE BY THE PROMOTER AND PROMOTER GROUP:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated December 22, 2022 (the “**Subscription Letters**”) undertaken that:

(a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of the Company except for one promoter who has expressed his intention to renounce a part of his entitlements to other than Promoter and Promoter group entities; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. However, the promoter who has renounced his shares will not participate in such acquisition of additional shares.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of the Company in accordance with provisions of the Takeover Regulations. However, any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall not result in a breach of the minimum public shareholding requirement stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.”

(E) SUMMARY OF RESTATED FINANCIAL STATEMENTS:

(₹ in Lakh except EPS and NAV)

| Particulars | Consolidated | | Standalone | | | |
|----------------------------------|--------------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|
| | 30.09.2022 (Limited Review) | 31.03.2022 (Restated) | 30.09.2022 (Limited Review) | 31.03.2022 (Restated) | 31.03.2021 (Restated) | 31.03.2020 (Restated) |
| Share Capital | 865.00 | 865.00 | 865.00 | 865.00 | 265.00 | 265.00 |
| Net Worth | 2148.23 | 1884.36 | 1902.27 | 1884.36 | 181.49 | 188.31 |
| Revenue | 2229.57 | 3906.40 | 31.52 | 151.69 | 105.12 | 2.00 |
| Profit After Tax | 261.76 | 373.46 | 15.80 | 127.87 | (6.81) | (8.96) |
| Earnings Per Share (Basic) | 3.03 | 9.91* | 0.18 | 3.39* | (0.26) | (0.34) |
| Earnings Per Share (Diluted) | 2.66* | 3.79* | 0.16* | 1.30* | (0.26) | (0.34) |
| Net Asset Value per equity share | 24.84 | 21.78 | 21.99 | 21.78 | 6.85 | 7.11 |

(F) SUMMARY OF OUTSTANDING LITIGATIONS:

| Outstanding Litigation | Number of Matter | Financial Implications to the Extent Quantifiable In INR |
|---|-------------------------|---|
| Filed against the Company | | |
| <i>Criminal & Civil Cases</i> | - | - |
| <i>Direct Tax & Indirect Tax</i> | - | - |
| Filed against Promoters & promoter group | | |
| <i>Direct Tax</i> | 5 | 3,71,657 |
| Total | 5 | 3,71,657 |

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise. In the absence of Order copy of the Income Tax Department, the nature, extents and status of the Cases cannot be ascertained.

For further details, please refer chapter “*Outstanding Litigations and Material Developments*” beginning from page 169 of this Letter of Offer.

(G) RISK FACTORS:

Kindly refer to the chapter titled “*Risk Factors*” beginning on page 20 of this Letter of Offer.

(H) CONTINGENT LIABILITIES OF OUR COMPANY AS DISCLOSED IN THE FINANCIAL STATEMENTS:

For details pertaining to contingent liabilities, kindly refer to the chapter titled, “*Financial Information*” beginning on page 92 of this Letter of Offer.

(I) RELATED PARTY TRANSACTIONS AS DISCLOSED IN THE FINANCIAL STATEMENTS:

For details pertaining to Related Party Transactions, kindly refer to the chapter titled “*Financial Information*” beginning on page 92 of this Letter of Offer

(J) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR FROM THE DATE OF THIS LETTER OF OFFER:

Our Company has not issued any Equity Shares for consideration other than cash in the last one (1) year preceding the date of this Letter of Offer.

(K) ANY SPLIT/CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR:

There is no split/consolidation of equity shares in the last one year immediately preceding the date of filing of this Letter of Offer.

SECTION III: RISK FACTORS

RISK FACTORS

Any Investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Rights Equity Shares. The risks described below are not the only risks relevant to our Company's business, operations or our Rights Equity Shares, but also to the industry and segments in which we operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our equity shares could decline, and investors may lose all or part of their investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Financial Information" beginning on page 92 and other information contained in this Letter of Offer. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

We have described the risks and uncertainties that our management believes are material but the risks set out in this Letter of Offer may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue.

This Letter of Offer also contains forward-looking statements which refer to future events that may involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control, and which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see "Forward Looking Statements" on page 16.

Unless otherwise stated, the financial information used in this section is derived from our Company's audited financial statements as of and for the year ended March 31, 2022, 2021 and 2020.

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- 1. Some risks may not be material individually but may be material when considered collectively.*
- 2. Some risks may have material impact qualitatively instead of quantitatively.*
- 3. Some risks may not be material at present but may have a material impact in the future.*

INTERNAL RISK FACTOR:

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

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

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

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

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

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

2. *Trading of the Company was suspended in the past.*

The Trading of the Company was suspended in the Past on the Platform of the BSE Limited. The Stock Exchange vide its notice dated 20100507-17 dated 7th May, 2010 revoked the above suspension with effect from 13th May, 2010. We cannot assure you that, the trading of the Company will not be suspended in future for any non-compliances. Such a situation may adversely affect our business, financial condition and results of operations.

3. *The business practices of our customers with respect to the collection, use and management of personal information could give rise to operational interruption, liabilities or reputational harm as a result of governmental regulation, legal requirements or industry standards relating to consumer privacy and data protection.*

As regulatory focus on privacy issues continues to increase and global laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to data collection and use within our and our customers' business will intensify. In addition, many governments have enacted or are considering enacting legislation or regulations, or may in the near future interpret existing legislation or regulations, in a manner that could significantly impact our ability and that of our customers and data partners to collect, augment, analyse, use, transfer and share personal and other information that is integral to certain services we provide. This could be true particularly in those jurisdictions where privacy laws or regulators take a broader view of how personal information is defined, therefore subjecting the handling of such data to heightened restrictions that may be obstructive to our operations of that of our customers and data providers. For instance, Directive 95/46/EC or the Data Protection Directive in the European Union has been replaced by the European General Data Protection Regulation in May 2018, which imposes additional obligations and risks upon our business with respect to processing of personal data and on the free movement of such data.

We may expand our operations to countries which have passed or are considering passing legislation that requires data to remain localised "in country," as this imposes financial costs on any service provider that is required to store data in jurisdictions not of its choosing and non-standard operational processes that are difficult and costly to integrate with global processes. Changes in laws or regulations associated with the enhanced protection of certain types of sensitive data could greatly increase our cost of providing our products and services or even prevent us from offering certain of our products and services in jurisdictions that we operate.

Regulators globally are also imposing greater monetary fines for privacy violations and some regulators may pass legislation that would impose fines for privacy violations based on a percentage of global revenues. Responding to an investigation or enforcement action could divert attention and resources of our management, which would cause us to incur investigation, compliance and defence costs and other professional fees, and adversely affect our business, operating results, financial condition and cash flows.

Any systems failure or security breach or lapse on our part or on the part of our employees and other ecosystem participants that results in the release of user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability. Any such legal proceedings or actions may subject us to significant

penalties and negative publicity, require us to change our business practices, increase our costs and severely disrupt our business.

Additionally, public perception and standards related to the privacy of personal information can shift rapidly, in ways that may affect our business operations or influence regulators to enact regulations and laws that may limit our ability to provide certain products and services. Any failure or perceived failure by us to comply with Indian or foreign laws and regulations, including laws and regulations regulating privacy, data security, or consumer protection, or other policies, public perception, standards, self-regulatory requirements or legal obligations, could result in lost or restricted business, proceedings, actions or fines brought against us or levied by governmental entities or could adversely affect our business and our reputation.

Further, the costs of compliance with, and other conditions imposed by laws, regulations and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our products and services. Privacy and personal information security concerns may inhibit market adoption of our products and services, particularly in certain industries and foreign countries. Any such changes in the laws of any of the markets in which we operate or intend to in the future may adversely affect our results of operations and business prospects.

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

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

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

A customer's decision to purchase our services or products often involves a comprehensive implementation process across the customer's network(s) which includes customer education, evaluation by a number of employees in our customers' organizations and, often, a significant strategic or operational decision by our customers. Our sales efforts involve educating our customers about the use and benefits of our products and solutions, including any potential cost savings achievable by organizations that partner with us.

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

6. *Our Promoter Group Company may have conflicts of interest as they are engaged in similar business and may compete with us.*

Our Promoter Group company Edvenswa Tech Private Limited is engaged in the same/similar industry segment as our Company so there might be conflicts of interest in future. We have not entered into any non-compete agreement with Edvenswa Tech Private Limited and there can be no assurance that it will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance.

7. *We may become liable to our customers and lose customers if we have defects or disruptions in our service or if we provide poor service. We may also be liable in the event of misuse of our services or platforms.*

We deliver technology as a service, and errors or defects in the software applications underlying our services, or a failure of our hosting infrastructure, may make our services unavailable to our customers. Majority of our contracts or master service agreements involve projects that are critical to the operations of our clients' businesses. Any failure in a client's system and any direct damages, expenses, costs, obligations could result in a claim for substantial damages against us, regardless of our responsibility for such failure. Any errors, defects, disruptions in service or other performance problems with our services, whether in connection with the day-to-day operation of our services, upgrades or otherwise, could damage our customers' businesses.

If we have any errors, defects, disruptions in service or other performance problems with our services, our customers could elect not to renew our contract, or delay or withhold payments to us and we could lose future sales. Further, our customers may make claims against us, which could result in an increase in our provision for doubtful accounts, an increase in collection cycles for accounts receivable or litigation costs. We may in the future, experience, misuse of our services or platforms. The occurrence of any such events in the future could lead to user dissatisfaction and discourage the use of our products and services. Such events may also give rise to complaints and actions against us. All these factors could adversely affect our business and results of operation.

8. *Our Promoter Director Mr. Yerradoddi Ramesh Reddy was disqualified by the Registrar of Companies due to non-compliances by a Company i.e., Triton Aqua Tec Private Limited in which he was a director.*

One of our Promoter Director Mr. Yerradoddi Ramesh Reddy was disqualified by the Registrar of Companies for a period from 01/11/2014 till 31/10/2021 due to non-filing of Annual Returns for a continuous period of more than 3 years by a Company i.e., Triton Aqua Tech Private Limited in which he was a director (*Source: Watchout Investor*). However, the said company was Strike off (*Source: ROC Master Data*). We cannot assure you that, any such disqualification of the Director of the Company will not happen in the future for any such non-compliances of the said companies. Such a situation may adversely affect our business, financial condition and results of operations.

9. *Our failure to adapt to technological developments or industry trends could affect the performance and features of our products and services and reduce our attractiveness to our customers.*

As our operations grow in scope and size, whether through offering of new services or expansion into new markets, we must continuously improve, upgrade, adapt and expand our systems and infrastructure to offer our customers enhanced services, features and functionality ahead of rapidly evolving customer demands, while maintaining the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner. The systems, infrastructure and technologies we currently employ may become obsolete or be unable to support our increased size and scale. Even if we are able to maintain, upgrade or replace our existing systems or innovate or customize and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. We may be unable to devote adequate financial resources or obtain sufficient financing on commercially acceptable terms in time, or at all, which may have a material adverse effect on our business, prospects, results of operation and financial condition.

Further, we may also not be able to attract talent to continue with the required upgrades and improvements to our systems. Our new systems, infrastructure and technologies may not perform satisfactorily, or be used effectively and we may also fail to adapt our products and services to our increased size and scale, customer requirements or emerging trends and industry standards. Further, there is no assurance that we will be able to downsize and scale back our systems and platforms quickly and efficiently enough to reduce unnecessary costs and expenses in the event that user demand falls below our expectations. In addition, to effectively manage our growth, we will also need to continue to improve our operational, financial and management controls, and our reporting systems and procedures.

Continued growth increases the challenges involved in, amongst others, continuous training and development of skilled and competent personnel and employees and developing and improving internal administrative infrastructure. These systems, enhancements and improvements will require significant capital expenditures and management resources. Failure to implement these improvements could adversely affect our ability to manage our growth. If we do not effectively manage our growth or appropriately expand and upgrade or downsize and scale back our systems and platforms, as the case may be, in a timely manner or at a reasonable cost, or both, or at all, we may lose market opportunities or damage our attractiveness and reputation with our customers, which may adversely affect our business, financial condition and results of operations.

10. Our Promoter and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.

Our Promoter and the members of the Promoter Group currently hold approximately 70.85% of the current paid-up equity share capital of our Company (which may increase upto 73.12% if the outstanding convertible share warrants are converted into equity) and may continue to have a substantial holding after the completion of the issue, assuming full subscription to the Rights Entitlement in the Issue. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoter’s shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

11. Our business is dependent on developing and maintaining continuing relationships with our clients and customers. The loss of any significant client or customer could have a material adverse effect on our business, financial condition and results of operations.

Our client constitutes customers of diverse sectors encompassing various industries like Healthcare & Life Sciences, Supply Chain & Logistics, Banking & Financial Services, Energy, Education and Environment etc. Although, we generally do not enter into long-term supply contracts with our customers, our business is dependent on developing and maintaining a continuing relationship with our key clients and customers. In the event of a significant Decline in the demand for our products or services by our key clients, our business, results of operations and financial condition may be materially and adversely affected. There can be no assurance that we will be able to maintain the historic levels of business from these clients and customers or that we will be able to replace these clients in case we lose any of them.

12. Our Promoters & Promoter Group are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, result of operations and financial conditions.

Our Promoters & promoter Group are parties to certain legal proceedings which are pending at different levels of adjudication before competent authority. We cannot assure you that these proceedings will be decided in favour of our Promoters & promoter Group, as the case may be. Further, there is no assurance that similar proceedings will not be initiated against us, our Directors or Promoters in the future. Any adverse outcome in any of the below mentioned proceedings could have an adverse effect on our reputation and may affect our future business, prospects, financial condition and results of operations. It further may divert the attention of our management and promoters and waste our corporate resources. For details of these proceedings, see “**Outstanding Litigation and Material Developments**” on beginning from page 169 of this Letter of Offer. A classification of these legal and other proceedings is given below:

| Sr No. | Outstanding Litigation | Number of Matter | Financial Implications to the Extent Quantifiable In INR |
|-----------|---|------------------|--|
| 1. | Filed against the Company | | |
| | <i>Criminal & Civil Cases</i> | - | - |
| | <i>Direct Tax & Indirect Tax</i> | - | - |
| 2. | Filed against Promoters & promoter group | | |
| | <i>Direct Tax</i> | 5 | 3,71,657 |
| | Total | 5 | 3,71,657 |

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise. In the absence of Order copy of the Income Tax Department, the nature, extents and status of the Cases cannot be ascertained.

13. *Our Company has not paid dividends since listing. There is no guarantee that the Company will be in a position to pay dividends in the future.*

Our Company has not paid any dividend on its Equity Shares since listing. Further, the ability to pay dividends in the future will depend upon a variety of factors, including but not limited to the earnings, general financial conditions, capital and operating requirements, results of operations, contractual obligations and overall financial position, applicable Indian legal and regulatory restrictions, the Articles of Association and other factors considered relevant by the Board of Directors of the Company. Therefore, the Company cannot assure that it will be in a position to declare dividends of any particular amount or frequency in the future to its shareholders.

14. *Impact of the name change of our Company from “KLK Electrical Limited” to “Edvenswa Enterprises Limited”.*

The name of our Company was changed to “Edvenswa Enterprises Limited” with effect from November 22, 2022. As on the date of this Letter of Offer, all the licenses & agreements are still prevailing in the erstwhile name of the Company. If the licenses & agreements are not transferred in the present name of the Company then the operations/business/revenue of the Company may get affected. We cannot assure you that, the said licenses/agreements will be re-executed in the name of the company or may take longer time. Such a situation may adversely affect our business, financial condition and results of operations.

15. *Our Registered and Corporate Office from where we operate are not owned by us.*

Our Registered Office premise is situated at Plot No. 85, Shop No.1, 4th Street, Ganesh Avenue, Sakthi Nagar, Porur, Chennai – 600116, Tamil Nadu, India is not owned by us. We have not entered into any agreement with the owner of the said premises. However, we have received a “No Objection Certificate” dated 24/04/2019 from the Owner of the Premises for the usage of the said premises. Further, our corporate office situated at Ground Floor, HIG-66, Madhav Nagar, Ramachandrapuram, Hyderabad – 500032, India is also not owned by us and no formal agreement or No Objection Certificate has been obtained. For further details, see section “**Our Business**” on page 66 of this Letter of Offer. If we are required to vacate the current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

16. *Our Company is not insured to protect us against all material hazards which may result in disruptions of operations/monetary loss on account of stoppage of work.*

Our Company has not covered itself with any insurance policy against our business or operational risks. In the case of an uninsured loss, including those caused by natural disasters and other events beyond our control, we may be required to pay for losses, damages and liabilities out of our own funds, which could materially and adversely affect our business, financial condition and results of operations.


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

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


18. *We have entered into certain related party transactions and may continue to do so.*

We have entered into related party transactions with our Promoters, its group members/ entities, Directors and other associates. While we believe that all such transactions have been conducted on arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will continue to enter into related party transactions in the near future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For further details regarding the related party transactions, see the disclosure

on *related party transactions* contained in the financial statements included in this Letter of Offer under the section “*Financial Statement*” beginning from page no. 105 of this Letter of Offer.

19. *Our Company is using a trademark , which is not registered in the name of the Company. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate.*

We have not made any application with ‘The Registrar of Trademarks, Trademarks Registry’ for registration of

 trademark our Company is using. The registration for the said trademark in our name is important to retain our brand equity. If our trademark is not registered, we may lose the statutory protection available to us under the Trademarks Act, 1999 for such trademark. Further, we cannot assure that our future application would be granted registration or will not be challenged or if granted registration, will not be invalidated or circumvented or will offer us any meaningful protection. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate. For further details of our trademarks, please see “**Government and Other Approvals**” on page 173 of this Letter of Offer.

20. *Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.*

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(₹ in lakhs)

| Particulars | Consolidated | | Standalone | | | |
|--|----------------------------------|---------------------------|----------------------------------|---------------------------|---------------------------|---------------------------|
| | Sept 2022 (Limited Review) | Fiscal 2022 (Restated) | Sept 2022 (Limited Review) | Fiscal 2022 (Restated) | Fiscal 2021 (Restated) | Fiscal 2020 (Restated) |
| Net cash from operating activities | (226.04) | (1,540.76) | 19.96 | (21.25) | (1.30) | (1.93) |
| Net Cash (used in) / from investing activities | 146.57 | (37.03) | (94.00) | (1,478.80) | 0.93 | 2.00 |
| Net Cash used in financing activities | 25.52 | 1,699.32 | - | 1,575.00 | - | - |
| Net increase/(decrease) in cash and cash equivalent | (53.94) | 121.53 | (74.04) | 74.95 | (0.37) | 0.07 |

21. *We are dependent on a number of key managerial personnel, including our senior management, and the loss of or our inability to attract or retain such persons with specialized technical know-how could adversely affect our business, results of operations, cash flows and financial condition.*

Our performance depends largely on the efforts and abilities of our senior management and other key managerial personnel, including our present officers who have specialized technical know-how. The inputs and experience of our senior management and key managerial personnel are valuable for the development of our business and operations strategy. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our Company does not maintain any director’s and officer’s insurance policy or any key man insurance policy. The loss of the services of such persons could have an adverse effect on our business, results of operations, cash flows and financial condition.

22. *Our Company has reclassified its erstwhile promoters and promoter group to public category*

The Acquirers Mr. Sreenivasa Sreekanth Uppuluri, Mr. Yerradoddi Ramesh Reddy and Edvenswa Tech Private Limited had given an open offer vide public announcement dated 2nd November, 2021 in accordance with SEBI SAST Regulations. Pursuant to the completion of the open offer, our Company has reclassified the erstwhile promoters Mr. V. Lava Kumar, Ms. Devi Lava Kumar and Mr. Karthik from Promoter and Promoter Group to Public Category vide Shareholder’s Resolution dated September 27, 2022 and filed revised Shareholding pattern on BSE Portal without taking approval from BSE Limited. However, our Company on October 25, 2022 has filed an application for reclassification of promoters under Regulation 31A of SEBI Listing Regulations and sought approval for the same. BSE Limited vide e-mail dated November 01, 2022 has raised queries for not appearing the name of Ms. Devi Lava Kumar under Promoter

category for quarter ended September 30, 2022. Our company vide its e-mail dated November 14, 2022 had clarified that the company has reclassified her name in public category.

Any adverse action by BSE may adversely affect our business, financial condition and results of operations.

23. *There have been some instances of delayed and erroneous filing of records and returns required to be filed by the Company with the Registrar of Companies and the Stock Exchange.*

There have been some instances of delayed filing with additional fees and erroneous filing by the Company in respect of the filings required to be made with regulatory authorities, including filings under Companies Act. Till date, the Company has not received any notices from any authorities. However, there can be no assurance that the regulators may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed or penalty imposed by regulators on us may adversely affect our business and results of operations.

24. *The COVID-19 pandemic and resulting deterioration of general economic conditions has impacted our business and results of operations in the past and the extent to which it will impact our future business and results of operations will depend on future developments, which are difficult to predict.*

Since first being reported in December 2019, the outbreak of COVID-19 has spread globally. The World Health Organization declared the novel coronavirus disease (“COVID-19”) outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. The rapid and diffused spread of COVID-19 and global health concerns relating to this pandemic have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity and growth. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including on the duration and severity of the pandemic, the nature and scope of government actions to contain it, and the potential impact on global and national economic conditions, including inflation, interest rates, availability of capital markets, consumer spending rates, energy availability and costs (including fuel surcharges), which are highly uncertain and cannot be predicted. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe.

In addition, while the Government of India in coordination with the state governments have started the bulk immunization process or vaccination drive since January 16, 2021, achieving a complete vaccination scale may take significant amount of time. There is also no assurance that the vaccines that are developed will be fully effective and/or may not have side effects. On March 14, 2020, India declared COVID-19 as a ‘notified disaster’ and imposed a nationwide lockdown announced on March 24, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious reopening of businesses and offices. Thus, our business was under lock down during the nationwide lock down due to the spread of COVID 19 Pandemic from March 25, 2020 to May 02, 2020. It was also shut down during the month of June 2020 due to widespread COVID – 19 pandemic. Subsequently, our business was operating subject to certain social distancing and additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization. While we have not been able to determine any material impact on our operations and results on account of COVID-19, in the previous Fiscal, our Company has witnessed a lower quantum of sales compared to similar periods in previous years. In addition, throughout March and April 2021, due to an increase in the number of daily COVID-19 cases, several state governments in India re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. As a result of the detection of new strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, we may be subject to further reinstatements of lockdown protocols or other restrictions, which may adversely affect our business operations. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations.

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

We operate in an industry, which faces intense competition from established as well as unorganized players. Our competition depends on several factors, which include quality, price and our pace in keeping up with the changing trends. Competition emerges from both organized as well as unorganized sector.

26. *We may need to change our pricing models to compete successfully.*

The competition we face in the sales of our products and services and general economic and business conditions as well as changes in the IT industry standards and landscape, can put pressure on us to change our pricing models. If our competitors offer deep discounts on certain products or services or develop products that the marketplace considers more valuable, we may need to lower prices or offer other favourable terms in order to compete successfully. Any such changes may reduce our sales or margins and could adversely affect our business and operating results. The increased availability and adoption of open source software may also cause us to change our pricing models in the short term as we transition to increase our presence in the cloud platform.

Our competitors may offer lower pricing on their offerings, which could put pressure on us to further discount our products and services. Any broad-based change to our prices and pricing policies could cause our revenues to decline or be delayed as our sales force implements and our customers adjust to the new pricing policies. Some of our competitors may bundle products for promotional purposes or as a long-term pricing strategy or provide guarantees of prices and product implementations. These practices could, over time, significantly constrain the prices that we can charge for some of our products. If we do not adapt our pricing models to reflect changes in customer use of our products or changes in customer demand, our revenues could decrease.

27. *Product development is a long, expensive and uncertain process and our current expenditure in product development may not provide a sufficient or timely return.*

The development of our products is a costly, complex and time-consuming process, and the investment in their development often involves a long wait until a return is achieved on such an investment. We have made, and will continue to make, significant investments in product development and related product opportunities. Investments in new technology and processes are inherently speculative. Commercial success depends on many factors, including the degree of innovation of the software products and services developed and effective distribution and marketing. Such expenditure may adversely affect our operating results if they are not offset by corresponding and timely revenue increases. We must continue to dedicate a significant amount of resources to our research and development efforts in order to maintain our competitive position. However, significant revenues from new software product and service investments may not be achieved for a number of years, or at all. Moreover, new software products and services may not be profitable, and even if they are profitable, operating margins for new software products and services may not be in line with the margins we have experienced for our existing or historical software products and services.

Moreover, we may determine that certain products or services do not have sufficient potential to warrant the continued allocation of resources and accordingly, we may elect to terminate the development of such products. If we terminate a product in development in which we have invested significant resources, our prospects may suffer, as we will have expended resources on a project that will not provide any return on our investment and also may have missed the opportunity to have allocated those resources to potentially more productive uses. In turn, this may adversely impact our business, operating results and financial condition.

28. *If security measures implemented by us are compromised or if our products and services are perceived as vulnerable, our operations could be materially adversely affected.*

Our products and services store, retrieve and manage our customers' information and data, external data, as well as our own data. Third parties may identify and exploit product and service vulnerabilities, penetrate or bypass our security measures, and gain unauthorized access to our or our customers', partners' and suppliers' software and cloud offerings, networks and systems, any of which could lead to the compromise of personal information or the confidential information or our data or that of our customers. Data may be accessed or modified improperly as a result of customer, partner, employee or supplier error or misconduct and third parties may attempt to fraudulently induce customers, partners, employees or suppliers into disclosing sensitive information such as user names, passwords or other information in order to gain access to our data, our customers', suppliers' or partners' data or our IT systems, customers, suppliers or partners.

High-profile security breaches at companies have increased in recent years, and security industry experts and government officials have warned about the risks of hackers and cyber-attacks targeting IT products and businesses. These risks will increase as we continue to grow our offerings and store and process increasingly large amounts of data, including personal information and our customers' confidential information and data and other external data, especially in customer sectors involving particularly sensitive data such as healthcare, financial services and the government.

Further, as privacy and data protection become more sensitive issues in India, we may also become exposed to potential liabilities. For instance, under the Information Technology Act, 2000, as amended, we are subject to civil liability for wrongful loss or gain arising from any negligence by us in implementing and maintaining reasonable security practices and procedures with respect to sensitive personal data or information on our computer systems, networks, databases and software. India has also implemented privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, which impose limitations and restrictions on the collection, use and disclosure of personal information. Any systems failure or security breach or lapse on our part or on the part of our employees that results in the release of user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability.

We could suffer significant damage to our brand and reputation if a cyber-attack or other security incident were to allow unauthorized access to or modification of our customers' or suppliers' data, other external data, or our own data or our IT systems or if the services we provide to our customers were disrupted, or if our products or services are perceived as having security vulnerabilities. Customers could lose confidence in the security and reliability of our products and services, and this could lead to fewer customers using our products and services and result in reduced revenue and earnings. The costs we may incur to address and fix these security incidents would increase our expenses. These types of security incidents could also lead to breach of contracts with customers, lawsuits, regulatory investigations and claims and increased legal liability, including contractual costs related to customer notification and fraud monitoring, all of which could materially adversely affect us.

29. *Our industry is highly competitive, and we may not be able to compete effectively with competitors.*

Our industry is highly fragmented and intensely competitive. Our competitors are numerous, ranging from small private firms to multi-billion-dollar public companies. Contract awards are based primarily on quality of service, relevant experience, staffing capabilities, reputation, geographic presence, stability and price. In addition, the technical and professional aspects of our services generally do not require large upfront capital expenditures and provide limited barriers against new competitors. Many of our competitors have achieved greater market penetration in some of the markets in which we compete and have more personnel, technical, marketing and financial resources or financial flexibility than we do. If our competitors develop and implement methodologies that yield greater efficiency and productivity, they may be able to offer services similar to ours at lower prices without adversely affecting their profit margins. Even if our offerings address industry and client needs, our competitors may be more successful at selling their services. If we are unable to provide our clients with superior services and solutions at competitive prices or successfully market those services to current and prospective clients, our business, results of operations and financial condition may suffer. These competitive forces could force us to make price concessions or otherwise reduce prices for our services. If we are unable to maintain our competitiveness, our market share, revenue, and profits could decline.

30. *The proper functioning of our solutions may be impaired by fraudulent or malicious activity, including non-human traffic.*

It is possible that fraudulent or malicious activity, including non-human traffic, could impair the proper functioning of our solutions. For instance, the use of bots or other automated or manual mechanisms could adversely affect the performance of our services and solutions. It may be difficult to detect fraudulent or malicious activity, particularly because the perpetrators of such activity may have significant resources at their disposal, may frequently change their tactics and may become more sophisticated, requiring us to update, upgrade and improve our processes for detecting and controlling such activity. Such fraudulent or malicious activity could result in negative publicity and reputational harm and require significant additional management time and attention. Further, if we fail to detect or prevent fraudulent or malicious activity in a timely manner, or at all, our customers may experience or perceive a reduced return on their investment or heightened risk associated with the use of our products and services, resulting in refusals to pay, demands for refunds, loss of confidence, withdrawal of future business and potential legal claims.

31. *Our client's proprietary rights may be misappropriated by our employees in violation of applicable confidentiality and non-disclosure agreements and as a result, cause us to breach our contractual obligations in relation to such proprietary rights.*

We can give no assurance that the steps taken by us will be adequate to enforce our clients' intellectual property rights or to adequately prevent the disclosure of confidential information by an employee or subcontractor or a subcontractor's employee. If our client's proprietary rights are misappropriated by our employees in violation of any applicable confidentiality agreements or otherwise, our clients may consider us liable for that act and seek damages and compensation from us. In addition, our client contracts may require us to comply with certain security obligations including maintenance of network security, back-up of data, ensuring our network is virus free and ensuring the

credentials of our people that work with our clients. We cannot assure you that we will be able to comply with all such obligations and that we will not incur liability nor have a claim for substantial damages against us.

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

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

33. *We may not be successful in implementing our business strategies.*

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

34. *Industry information included in this Letter of Offer has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*

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

35. *Within the parameters as mentioned in the chapter titled "Objects of this Issue" beginning on page 44 of this Letter of Offer, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.*

We intend to use entire Issue Proceeds towards Expansion of Business operations in India, meeting the investment in wholly owned subsidiary company for expansion of business and general corporate purpose. We intend to deploy the Net Issue Proceeds in financial year 2022-23 and next years and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled "**Objects of the Issue**" beginning on page 44 of this Letter of Offer.

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled "**Objects of the Issue**" beginning on page 44 of this Letter of Offer, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors and Audit Committee will monitor the proceeds of this Issue.

36. *Any future issuance of Equity Shares may dilute your shareholdings, and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.*

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

37. *Any future acquisitions, joint ventures, partnerships, strategic alliances, tie-ups or investments could fail to achieve expected synergies and may disrupt our business and harm our financial condition and operating results.*

Our success will depend, in part, on our ability to expand our business in response to changing technologies, customer demands and competitive pressures. We have, in the past, explored and continue to explore opportunities on our own, or through tie-ups, acquisitions, strategic alliances, partnerships or joint ventures across countries and regions of focus. In some circumstances, we may also decide to acquire, or invest in, complementary technologies instead of internal development. While we are currently evaluating opportunities and speaking to several potential partners, we have not entered into any definitive agreements in relation to this. Further, the identification of suitable acquisition can be difficult, time-consuming and costly, and we may not be able to successfully complete acquisitions that we target in the future. The risks we face in connection with acquisitions may include integration of product and service offerings, co-ordination of R&D and sales and marketing functions and the diversion of management time and focus from operating our business to addressing acquisition integration challenges. Our failure to address these risks or other problems encountered in connection with our acquisitions and investments could cause us to fail to realise the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally.

38. *Managing employee benefit pressures in India may prevent us from sustaining our competitive advantage which could adversely affect our business prospects and future financial performance.*

Employee benefits represent a major expense for us and our ability to maintain or reduce such costs is critical for our business operations. We may be required to increase employee compensation levels to remain competitive and manage attrition, and consequently we may need to increase the prices of our products and services. An increase in wages/salaries paid to our employees may result in a material adverse effect on our profits in the event that we are unable to pass on such increased expenditure to our users or customers without losing their business to our competitors. Likewise, if we are unable to sustain or increase the number of employees as necessary to meet growing demand, our business, financial condition and results of operations could be adversely affected.

39. *Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. We may provide services to our customers, who in-turn may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply, such as Iran. Although we are currently not in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

RISKS RELATING TO RIGHTS ISSUE

- 1. SEBI has recently, by way of circular dated January 22, 2020 streamlined the process of rights issues. Eligible Equity Shareholders should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. ***For details, see “Terms of the Issue”*** on page 180. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular the credit of Rights Entitlements and Allotment of Rights 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 opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; 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.

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

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see ***“Issue Information”*** beginning on page 180.

- 3. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue 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. Even if you elect to sell your unexercised Right 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 Issue. Renounees 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 Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is March 01, 2023), such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see ***“Terms of the Issue”*** on page 180.

- 4. The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.***

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, amongst others, details of their demat accounts to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity

Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see “*Terms of the Issue*” on page 180.

5. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 180. 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 Rights Equity Shares shall be made in dematerialized form only.

6. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

7. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

8. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.*

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Director’s fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders’ rights under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company.

9. *No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchange, the trading of Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

EXTERNAL RISK FACTORS

1. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.*

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

2. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

3. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.*

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- custom duties on imports of raw materials and components;
- Goods and Service

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

4. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

5. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

6. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

7. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.*

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

8. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by 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 may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

9. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.*

The current Covid-19 pandemic had brought the world to a standstill affecting all sectors and the livelihood of many are at stake including the Indian economy. However, our Country is achieving normalcy by various measures taken by the Government. The pandemic is still to be controlled and any major outbreak will seriously impact our business. Further, our Country in the past has experienced natural calamities such as earthquakes, tsunamis, floods etc. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

10. *Terrorist attacks, civil unrest and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

SECTION IV: INTRODUCTION

THE ISSUE

The present Issue of Equity Shares on Rights basis in terms of this Letter of Offer including terms of the Issue has been authorized pursuant to a resolution of our Board of Directors held on July 28, 2022 passed under Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in “*Terms of the Issue*” beginning on page no. 180 of this Letter of Offer.

| | |
|--|--|
| Rights Equity Shares being offered by our Company | Up to 90,80,000 Equity Shares. |
| Rights Entitlement | 1 (One) Rights Equity Share for every 1 (One) fully paid-up Equity Share held on the Record Date |
| Record Date | February 07, 2023 |
| Face value per Rights Equity Share | ₹10/- per Equity Share |
| Issue Price per Rights Equity Share | ₹25/- per Rights Equity Share including a premium of ₹15/- per Rights Equity Share |
| Issue Size | Issue of up to 90,80,000 Equity Shares of face value of ₹10/- each for cash at a price of ₹25/- per Rights Equity Share (including a premium of ₹15/- per Rights Equity Share) for an amount aggregating upto ₹2270.00 Lakh. (<i>Assuming Full Subscription</i>) |
| Equity Shares outstanding prior to the Issue | 90,80,000 Equity Shares |
| Voting Rights and Dividend | The Rights Equity Shares issued pursuant to the issue shall rank pari passu in all respects with the existing Equity Shares of our Company. |
| Equity Shares outstanding after the Issue | 1,81,60,000 Equity Shares |
| Security Code for the Securities | BSE Scrip Code: 517170 ISIN: INE125G01014 (Equity Shares) ISIN: INE125G13019 (Equity Shares Warrants) |
| Terms of the Issue | For details, please see the chapter titled “ <i>Terms of the Issue</i> ” on page 180 of this Letter of Offer. |
| Use of Issue Proceeds | For details, please see the chapter titled “ <i>Objects of the Issue</i> ” on page 44 of this Letter of Offer. |
| Issue Open Date | February 16, 2023 |
| Issue Close Date | March 08, 2023 |
| ISIN for Rights Entitlements | INE125G20014 |
| Terms of Payment | The full amount is payable on application |

GENERAL INFORMATION

Our Company was incorporated as “**KLK Electrical Industries Private Limited**” on April 18, 1980 as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation granted by the Registrar of Companies, Chennai. Thereafter, our Company was converted into public limited company with effect from December 26, 1985 and pursuant to that, the name of our company was changed to “**KLK Electrical Industries Limited**”. Subsequently, the name of our Company was changed to “**KLK Electrical Limited**” vide a fresh certificate of incorporation issued by the Registrar of Companies, Chennai at Tamil Nadu on November 11, 2003. The name of our Company further changed to “**Edvenswa Enterprises Limited**” vide a fresh certificate of incorporation issued by the Registrar of Companies, Chennai at Tamil Nadu on November 22, 2022.

| Brief of Company and Issue information | |
|---|---|
| Name & CIN | Edvenswa Enterprises Limited <i>(Erstwhile known as KLK Electrical Limited)</i> L72300TN1980PLC008230 |
| Registered Office of Company | Plot No. 85, Shop No.1, 4 th Street, Ganesh Avenue, Sakthi Nagar, Porur, Chennai - 600116, Tamil Nadu, India Contact Person: Mrs. Hima Bindu Dulipala Contact No: 044-79624043 Email ID: himabindu@edvenswainc.com Website: www.klk.co.in |
| Corporate Office of the Company | Ground Floor, HIG-66, Madhav Nagar, Ramachandrapuram, Hyderabad – 500032, India Contact Person: Mr. Uppuluri Krishna Murthy Contact No: +91 98484 67845 Email ID: ukm@edvenswa.com Website: www.klk.co.in |
| Address of Registrar of Companies | Registrar of Companies – Tamil Nadu, Chennai Registrar of Companies, Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai - 600034, Tamil Nadu, India. |
| Designated Stock Exchange | BSE Limited (“ BSE ”) |
| Company Secretary and Compliance Officer | Mrs. Hima Bindu Dulipala Edvenswa Enterprises Limited Ground Floor, HIG-66, Madhav Nagar, Ramachandrapuram, Hyderabad – 500032, India Contact No: +91 91000 52964 Email ID: himabindu@edvenswainc.com Website: www.klk.co.in |
| Chief Financial Officer | Mr. Uppuluri Krishna Murthy Edvenswa Enterprises Limited Ground Floor, HIG-66, Madhav Nagar, Ramachandrapuram, Hyderabad – 500032, India Contact No: +91 98484 67845 Email ID: ukm@edvenswa.com Website: www.klk.co.in |
| Statutory Auditor of the Company | M/s. Anant Rao & Mallik , Chartered Accountants, Address: Flat B-409/410 Kushal Towers, No.6-2-975, Khairatabad, Hyderabad – 500004, Telangana, India Tel. No.: +91 98480 42386 E-mail ID: raoanant@gmail.com ; armcas@gmail.com Contact Person: CA V. Anant Rao Designation: Partner Membership Number: 022644 Firm Registration No.: 006266S Peer Review Certificate No.: 013443 valid till July 31, 2024 |

Board of Directors of Our Company:

Details regarding our Board of Directors as on the date of this Letter of Offer are set forth in the table hereunder:

| Sl. No. | Name of Director | Designation | DIN | Age | Residential Address |
|---------|-----------------------------------|----------------------|----------|----------|---|
| 1 | Mr. Sreenivasa Sreekanth Uppuluri | Managing Director | 01275332 | 46 Years | 1-36/13, Manju Anurag Enclave, Madhusudan Nagar, Malkajgiri, Hyderabad - 500047, Telangana, India |
| 2 | Mr. Yerradoddi Ramesh Reddy | Whole time Director | 01483626 | 56 Years | F. No. 902, Block 2 Hill Ridge Springs, Gachibowli, Hyderabad - 500032, Telangana, India |
| 3 | Mr. Garimella Jayachand | Independent Director | 03053175 | 47 Years | Flat No. 101, Plot No. 14/P, Veda Nivas, Tulasi Nagar, Near HMT Hills Ramalayam, JNTU, Kukatpally, Tirumalagiri, Hyderabad - 500085, Telangana, India |
| 4 | Ms. Srivani Nandiraju | Independent Director | 09556758 | 45 Years | 10-5-777/3, Plot No-145, Street No-6, Thukaramgate, Secunderabad - 500003, Telangana, India |
| 5 | Mr. Ravikanth Andhavarapu | Independent Director | 08096853 | 34 Years | 33-1-14, Main Road, Beside Raju Bhavan Kakinada - 533001, East Godavari, Andhra Pradesh, India |

For further details of the Board of Directors, please refer to the Section titled **“Our Management”** beginning on page no 80 of this Letter of Offer.

Details of Key Intermediaries pertaining to this Issue of our Company:

| LEAD MANAGER OF THE ISSUE | REGISTRAR TO THE ISSUE |
|--|---|
| Finshore Management Services Limited Anandlok”, Block-A, 2 nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal, India Telephone: +91 33 22895101 / +91 33 4603 2561 Email: info@finshoregroup.com Investor grievances Email: investors@finshoregroup.com Website: www.finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 CIN: U74900WB2011PLC169377 | Cameo Corporate Services Limited "Subramanian Building", No.1, Club House Road, Chennai - 600 002, India Telephone: 044 – 4002 0700 (5 lines) Email: priya@cameoindia.com ; Investor grievances Email: investor@cameoindia.com Contact Person: Ms. K Sreepriya Website: www.cameoindia.com SEBI Registration Number: INR000003753 CIN: U67120TN1998PLC041613 |
| LEGAL ADVISOR TO THE ISSUE | BANKER TO THE ISSUE |
| J Mukherjee & Associates D-1, MMS Chambers, 1 st Floor, 4A Council House Street, Kolkata-700001, West Bengal, India Telephone: +91 9830640366 Email: jmukherjeeandassociates@gmail.com Contact Person: Mr. Jayabrata Mukherjee | Kotak Mahindra Bank Limited Kotak Infinity, 6 th floor, Building no. 21, Infinity Park, Off Western Express Highway, General AK Vaidya Marg, Malad (E), Mumbai – 400097, Maharashtra, India Telephone: 022-66056588 Email: cmsipo@kotak.com Contact Person: Mr. Sidhresh Shirodkar Website: www.kotak.com SEBI Registration Number: INBI00000927 CIN: L65110MH1985PLC038137 |

Self-Certified Syndicate Banks (“SCSBs”)

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Statement of *Inter Se* Allocation of Responsibilities

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Credit Rating

This being an Issue of Right Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Right Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the Issue Size is below ₹ 10,000 lakh, the appointment of a monitoring agency is not required.

Underwriting

This Issue of Rights Equity Shares is not being underwritten and no standby support is being sought for the said Issue.

Filing of Draft Letter of Offer/Letter of Offer

The Draft Letter of Offer was neither filed with SEBI, nor did SEBI issued any observation on the Draft Letter of Offer as the size of the issue is less than Rs. Fifty Crores.

The Draft Letter of Offer was filed with BSE for obtaining its in-principle approval. Our Company has received in-principle approval from BSE vide its letter dated January 13, 2023.

However, our Company will submit a copy of the Letter of Offer to SEBI for the purpose of their information and dissemination on its website by mailing it to the e-mail address: cfddil@sebi.gov.in.

Minimum Subscription

The Issue is subject to being in receipt of minimum subscription of 90% of the Issue in accordance with the provisions of Regulation 86 of SEBI (ICDR) Regulations. If in the event our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors shall pay interest for the delayed period, at such rates as prescribed under the applicable laws.

Issue Schedule:

| | |
|--|--------------------------|
| Last Date for credit of Rights Entitlements[®] (on or before) | <i>February 15, 2023</i> |
| Issue Opening Date | <i>February 16, 2023</i> |
| Last Date for On Market Renunciation* | <i>March 01, 2023</i> |
| Issue Closing Date[#] | <i>March 08, 2023</i> |
| Finalizing of Basis of Allotment with the Designated Stock Exchange (on or about) | <i>March 15, 2023</i> |
| Date of Allotment (on or about) | <i>March 16, 2023</i> |
| Date of Credit (on or about) | <i>March 20, 2023</i> |
| Date of listing / Commencement of trading of Equity Shares on the Stock Exchanges (on or about) | <i>March 23, 2023</i> |

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the BSE main board platform are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE in accordance with the applicable laws.

® In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the Physical Shareholders as on Record Date, have to furnish the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date to enable us to process the credit of Rights Entitlement.

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

The Board of Directors 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 (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., March 02, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., March 06, 2023. For details, see ***“Terms of the Issue”*** beginning on page 180 of this Letter of Offer.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. 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.

Change in Auditors during the last three (3) years

There has not been any change in Auditors during the last three (3) years from the date of this Letter of Offer.

CAPITAL STRUCTURE

The Capital Structure of our company before the Issue and after giving effect to the Issue, as at the date of this Letter of Offer, is set forth below:

(₹ in Lakh except share data)

| Sl. No. | Particulars | Aggregate Nominal Value | Aggregate Value at Issue Price |
|---------|---|-------------------------|--------------------------------|
| A | Authorized Share Capital* | | |
| | 2,00,00,000 Equity Shares of ₹10/- each | 2,000.00 | -- |
| B | Issued, Subscribed & Paid-up Share Capital prior to the Issue | | |
| | 90,80,000 Equity Shares of ₹10/- each | 908.00 | -- |
| C | Present issue in terms of this Letter of Offer** | | |
| | Up to 90,80,000 Rights Equity Shares for cash, at a premium of ₹15/- per Rights Equity Share, i.e., at a price of ₹25/- per Rights Equity Share | 908.00 | 2,270.00 |
| D | Issued, Subscribed & Paid-up Share Capital after the Issue*** | | |
| | 1,81,60,000 Equity Shares of face value of ₹10/- each | 1,816.00 | |

** This Rights Issue has been authorized pursuant to a resolution of our Board dated July 28, 2022.

*** Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares.

Notes to the Capital Structure:

- Our Company, pursuant to a special resolution dated September 27, 2022 passed by our members, approved the ESOP Plan 2022 for eligible employees of our Company and our Subsidiary (i.e. Edvenswa Tech Inc.) with a limit to grant up to such number of options which would give rise to the issue of not more than 10,00,000 Equity Shares of the face value of ₹10/- (Rupees Ten only) each. No grants had been made under ESOP Plan 2022 as at the date of this Letter of Offer.
- Our Company, pursuant to a special resolution dated December 02, 2021 passed by our members, approved the issue of 12,00,000 Equity Shares Warrants to Mr. Yerradoddi Ramesh Reddy, Promoter and Whole time Director of the Company. Pursuant to this, Mr. Yerradoddi Ramesh Reddy has the right to get allotted 12,00,000 fully paid-up equity shares (i.e., one equity share for every single warrant held) of the face value of ₹10/- each of our Company at a premium of ₹15/- per share, aggregating to ₹300.00 lakh within a period of 18 months from the date of allotment of the Warrants.

Mr. Yerradoddi Ramesh Reddy has already exercised his right to convert the 4,30,000 warrants and our Board of Directors vide its resolution dated November 05, 2022 allotted 4,30,000 fully paid-up equity shares of face value of ₹10/- each at a premium of ₹15/- per share which ranks pari-passu to the existing equity shares of our Company.

Except as mentioned above, our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.

- All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up.

4. Shareholding of Promoter and Promoter Group:

The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon as on the date of this Letter of Offer are set forth hereunder:

| Sl. No. | Name of the Promoters & Promoter Group | No of Equity Shares held | % of Total Share Capital | Details of Equity Shares pledged/encumbered | | Details of Equity Shares locked-in | |
|---------|--|--------------------------|--------------------------|---|--------------|------------------------------------|----------------|
| | | | | Number of Shares | Holding in % | Number of Shares | in % |
| 1 | Sreenivasa Sreekanth Uppuluri | 60,00,000 [#] | 66.08% | Nil | - | 60,00,000 | 100.00% |
| 2 | Yerradoddi Ramesh Reddy | 4,30,000 ^{**} | 4.74% | Nil | - | 4,30,000 | 100.00% |
| 3 | Edvenswa Tech Private Limited | 2,770 | 0.03% | Nil | - | - | - |
| | Total | 64,32,770 | 70.85% | - | - | 64,30,000 | 100.00% |

[#]On 02nd November, 2021, the Board of Directors of KLK Electrical Ltd in its meeting considered and approved the preferential allotment of 60,00,000 (Sixty Lakh) equity shares at a price of Rs.25/- per equity share to Sreenivasa Sreekanth Uppuluri in consideration for purchase of entire 60,00,000 Common Stock of Edvenswa Tech INC held by him valued at Rs.25/- per common stock, in the ratio of 1:1 (i.e., 1 Equity share of our Company for every 1 share of Edvenswa Tech INC) and 12,00,000 (Twelve Lakh) Equity Share Warrants at a price of Rs.25/- per Warrant on a cash consideration with a right to the warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of Rs.10/- each of the Company (“Equity Shares”) at a premium of Rs.15/- per share warrant within a period of 18 (Eighteen) months from the date of allotment of the Warrants, aggregating to Rs. 3,00,00,000/- (Rupees Three Crores Only) to Yerradoddi Ramesh Reddy. The said transaction was approved vide Special Resolution dated December 02, 2021.

The above transaction triggered an open offer for which the public announcement was given on 02nd November, 2021 and payment to public shareholders who had tendered the shares in the open offer was completed on 16th February, 2022.

*Our Company has issued 12,00,000 Equity Shares Warrants vide Special Resolution dated December 02, 2021 to Mr. Yerradoddi Ramesh Reddy out of which 4,30,000 Equity Shares Warrant has been converted into fully paid-up Equity Shares vide Board Resolution dated November 05, 2022. For further details, kindly refer to the “Note 2” above.

Note: Subsequent to the abovementioned open offer, our Company has applied for re-classification of erstwhile promoters namely Mr. V. Lava Kumar, Ms. Devi Lava Kumar and Mr. Karthik from Promoter and Promoter Group to Public Category on October 25, 2022. The approval from BSE is yet to be received.

5. The statement showing specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of this Letter of Offer with the designated stock exchange:

Except as disclosed below, no Equity Shares have been acquired by our Promoter or Promoter Group in the last one year immediately preceding the date of this Letter of Offer:

| Sl. No. | Name of the Promoters & Promoter Group | No. of equity shares allotted/purchased/sold | Mode of Acquisition | Date of Acquisition |
|---------|--|--|------------------------|---------------------|
| 1. | Sreenivasa Sreekanth Uppuluri | 60,00,000 [#] | Preferential allotment | 20-01-2022 |
| 2. | Yerradoddi Ramesh Reddy | 4,30,000 [*] | Conversion of Warrants | 05-11-2022 |
| 3. | Edvenswa Tech Private Limited | 2,770 | Open Offer | 16-02-2022 |

6. Intention and extent of participation in the Issue by the Promoter and Promoter Group:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated December 22, 2022 (the “Subscription Letters”) undertaken to:

(a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of the Company except for one promoter who has expressed his intention to renounce a part of his entitlements to other than Promoter and Promoter group entities; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. However, the promoter who has renounced his shares will not participate in such acquisition of additional shares.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of the Company in accordance with provisions of the Takeover Regulations. However, any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall not result in a breach of the minimum public shareholding requirement stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.”

7. The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 44.29.
8. Shareholding Pattern of our Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations:
- a) On November 05, 2022, our company has further allotted 4,30,000 fully paid-up equity shares to Mr. Yerradoddi Ramesh Reddy on a preferential basis pursuant to conversion of Warrants. The Shareholding pattern of our company as on the date of the Letter of Offer is as follows:

| Category of Shareholder | Total No. of Shares held | Shareholding as a % of total no. of shares | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | No. of Shares Locked-in |
|--|--------------------------|--|--|--|-------------------------|
| Promoter | | | | | |
| Sreenivasa Sreekanth Uppuluri | 60,00,000 | 66.08% | - | 60.91% | 60,00,000 |
| Yerradoddi Ramesh Reddy | 4,30,000 | 4.74% | 7,70,000 | 12.18% | 4,30,000 |
| Promoter Group | | | | | |
| Edvenswa Tech Private Limited | 2,770 | 0.03% | - | 0.03% | - |
| Total Promoter & Promoter Group | 64,32,770 | 70.85% | 7,70,000 | 73.12% | 64,30,000 |
| Public Shareholders | 26,47,230 | 29.15% | - | 26.88% | - |
| Total | 90,80,000 | 100.00% | 7,70,000 | 100.00% | 64,30,000 |

- b) The shareholding pattern of our Company for the quarter ended December 31, 2022 can be accessed on the website of the BSE at:
www.bseindia.com/stock-share-price/edvenswa-enterprises-ltd/edvenswa/517170/shareholding-pattern/
- c) The statement showing shareholders holding more than 1% of the total number of Equity Shares for the quarter ended December 31, 2022 is as follows:

For Promoters and Promoters Group Category

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=517170&qtrid=116.00&QtrName=December%202022>

For Public Category

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=517170&qtrid=116.00&QtrName=December%202022>

SECTION V: PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

This offer is for the issuance and allotment of fresh Equity Shares on Right basis in the ratio of 1 (one) rights equity share for every 1 (one) fully paid-up equity share at an issue price of Rs. 25/- each share having face value of Rs. 10/- each and at a premium of Rs. 15/- per share. The tentative offer size would be for upto Rs. 2270.00 Lakhs (Assuming full subscription in the Issue).

Our Company proposes to utilize the funds which are being raised through this offer towards the below mentioned objects:

The Objects of the Issue are:

- A. Expansion of Business operations in India
- B. Investment in our wholly owned Subsidiary Company for expansion of business
- C. General Corporate Purposes
- D. To meet the Issue Expenses

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

Requirement and Utilization of Funds:

A. Expansion of Business operations in India

The company had no major business activity till FY 2020-21. The current promoters took over this company by giving an Open offer vide Public Announcement dated November 02, 2021 and Letter of Offer dated January 10, 2022. As a part of the takeover process our company had acquired entire share capital of USA based EDVENSWA TECH INC (A company promoted by our new Promoter in 2012) and EDVENSWA TECH INC became wholly owned subsidiary of Edvenswa Enterprises Limited (erstwhile KLK Electrical Limited). EDVENSWA TECH INC is a Company incorporated under State of Georgia (USA) having its registered office at 300 Colonial Center Parkway, Suite 100N, Roswell, Fulton, Georgia-30040, USA, which is into software development, enterprise solution engaged in the business of providing a range of Information Technology (“IT”) solutions to companies across sectors.

Post completion of the takeover of the Company by the current management, the company gradually started operating its business in India for providing staffing business and software development services specializing in UI/UX Design & Development; Rapid Prototyping & Product Development for Customers; Enterprise Application Engineering; Software Quality Assurance; Business Process Automation using Robotic Process Automation (RPA) tools; Social/Mobile Application Development; Application Integration, Maintenance & Migration Services; Cloud Migration Services; DevOps Engineering; Data Management & Integration; Big Data, Analytics & Data Science related Services; Application Integration; Mobile Application Development & Integration; and Extended R&D Partnering etc. along with its USA subsidiary company. In order to fund and support the business activities through deployment of skilled man power, Sales and Marketing, Server cost, Office and administrative costs, our company needs finance and decided to raise the fund through this Right Issue.

B. Investment in our wholly owned Subsidiary Company for expansion of business

Edvenswa Enterprises Ltd (EEL) and EDVENSWA TECH INC (ETI) has prepared a rapid expansion plan that comprises both organic and inorganic growth. To expand organically, the company has invested in the sales and marketing team along with US recruitment team to focus on customer requirements for key resources and also is in the process of recruiting many senior experienced consultants who would be joining its roles in the next few months once their immigration process is completed. This will add substantially to the company’s top line.

EEL also plans to invest funds into ETI to expand its operations inorganically by making strategic investments and acquisitions, especially to expand its offering to provide ‘near shore’ software development and maintenance support services. The key focus is to set up operations in Mexico and Canada. Investments and acquisitions to create near shore presence in these locations will help in increasing the companies talent pool and also enable us to source talent without being constrained by the limitations of the immigration related constraints while sourcing talent from India and locally in the US. The investments planned would enable the company to increase its head count multifold and also double its revenue run rate at a much better gross margin comparatively. Setting up near shore operations will give customers the option to optimise their cost structure while retaining the benefit of working with cross border teams which work in the same time zone.

The following table summarizes the requirement of funds:

(₹ In Lakhs)

| Sr. No. | Particulars | Estimated Amount | % of total issue size | Amount to be deployed from offer proceeds |
|---------|---|------------------|-----------------------|---|
| A | Expansion of Business operations in India | 315.00 | 13.88% | 315.00 |
| B | Investment in our wholly owned Subsidiary Company for expansion of business | 1,500.00 | 66.08% | 1,500.00 |
| C | General corporate purposes | 400.00 | 17.62% | 400.00 |
| D | Issue related expenses | 55.00 | 2.42% | 55.00 |
| | Total Issue Proceeds * | 2,270.00 | 100.00% | 2,270.00 |
| | Less: Issue Related Expenses | 55.00 | 2.42% | 55.00 |
| | Net Issue Proceeds | 2,215.00 | 97.58% | 2,215.00 |

*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

Means of Finance:

We propose to meet the requirement of funds for the stated objects from the offer Proceeds. Hence, no amount is required to be raised through means other than the Offer Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 / Companies Act, 1956.

Detailed breakup of the Use of the Proceeds

A. Expansion of Business operations in India:

Post takeover of the Company by the current promoters, we are now engaged in offering a range of services to address the specific requirements of our client's segment. Given the nature of our operations, we are continuously required to expand our strength in terms of sales with pre sales capabilities, development centres to support existing and/or expansion of business. We are required to expand team, expertise and capabilities by entering into new market segments and/or entering new geographies, in order to improve our efficiency, acquire new customers, leverage our existing customers and expand our offerings.

Hiring and recruiting the intended manpower at different levels for the expansion and development of our business activities requires substantial investments and requisite training. So, our Board decided to invest approx. **₹315.00 Lakhs** based on our internal estimates from the offer proceeds towards expansion of business. The said infusion of funds from the offer proceeds will result in profit from operations on a consolidated basis over the period.

B. Investment in our wholly owned Subsidiary Company for expansion of business:

Currently our major revenue comes from EDVENSWA TECH INC (Our US subsidiary). We are continuously required to expand our strength in terms of sales with pre sales capabilities, development centres to support existing and/or expansion of business. We are required to expand team, expertise and capabilities by entering into new market segments and/or entering new geographies, in order to improve our efficiency, acquire new customers, leverage our existing customers and expand our offerings. The Company management is also actively working to identify acquisition targets that will further enhance or complement our ability to service our customers. A potential acquisition will give us the ability to bring additional offerings to our customers. In compliance with the SEBI ICDR Regulations towards making an acquisition, the company envisages to utilize around **₹1,500.00 Lakhs** from the Right Issue funds towards Investment in our wholly owned subsidiary for making an acquisition in the form of fresh equity infusion. This is going to be very

vital for the company to grow rapidly in the coming years and will result in profit from operations on a consolidated basis over the period.

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

We have undertaken expansion through inorganic ways in the past and we believe that we have benefited significantly from them. We have acquired EDVENSWA TECH INC, a USA based company as mentioned above in the year 2021-22.

C. General Corporate Purpose:

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount being raised by our Company through this issue, in compliance with the Chapter III, Regulation 62(2) of SEBI ICDR Regulations, 2018. Our Company intends to deploy the proceeds of the issue aggregating to Rs. 400.00 Lakhs, which is 17.62% of the amount being raised by our company through this issue, towards general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) Strategic initiatives;
- (ii) Brand building exercise;
- (iii) Strengthening of marketing activities and capabilities;
- (iv) Meeting exigencies and contingencies which our company in the ordinary course of business may not foresee; and
- (v) Any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the balance Net Proceeds for general corporate purposes, as mentioned above.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below. In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment from time to time, as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling or variation, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 and other applicable laws.

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

D. Issue Related Expense:

The expenses for this Issue include issue management fees, underwriting fees, selling commission, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees, statutory expenses etc. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

(Estimated expenses Rs. In Lakhs)

| Activity | Estimated Expenses | % Of Total Issue Expenses | % Of Total Issue Size |
|---|--------------------|---------------------------|-----------------------|
| Payment to LM including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Advisors to the Company, etc. and other out of pocket expenses | 29.67 | 53.94% | 1.31% |
| Regulators Including Stock Exchanges | 19.84 | 36.06% | 0.87% |
| Advertising and Marketing Expenses | 3.50 | 6.36% | 0.15% |
| Printing and distribution of Issue Stationary | 2.00 | 3.64% | 0.09% |
| Total | 55.00 | 100.00% | 2.42% |

Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

Strategic and/ or Financial Partners

There are no Strategic and Financial partners.

Schedule of implementation

Our Company proposes to utilize funds collected in rights issue after finalisation of the basis of allotment. Post completion of the rights issue, the company will immediately use the funds for the purpose stated in the objects of the issue.

Bridge Financing Facilities

As on the date of this Letter of Offer, we have not raised any bridge loans which are proposed to be repaid from the Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement/cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Issue Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

Interest of Promoter, Promoter Group and Directors, in the objects of the Issue

Our Promoter, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group and Directors of our Company.

Monitoring Utilization of Funds

As the Issue size is less than ₹ 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency. Our Board and the management will monitor the utilization of the Issue Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Letter of Offer and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoter, members of the Promoter Group, Directors, Group Entities or key management personnel. Our Company has not entered into or is not

planning to enter into any arrangement/ agreements with Promoter, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

Key Industry Regulation for the proposed objects of the issue

The object of the issue is to utilize the fund in the existing business activity of the company. So specific key industry regulation is same as the present industry regulation applicable to the company.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
Edvenswa Enterprises Limited (previously known as KLK Electrical Limited)
Plot No. 85, Shop No.1,
4th Street, Ganesh Avenue,
Sakthi Nagar, Porur,
Chennai - 600116,
Tamil Nadu, India

Dear Sirs,

Sub: Statement of possible Special tax benefit available to Edvenswa Enterprises Limited, its shareholders and its material subsidiaries (if any).

Ref: Proposed Right Issue of Equity Shares of Edvenswa Enterprises Limited.

We report that there are no possible special direct tax benefits available to the Company, its shareholders and its material subsidiaries under the Income-tax Act, 1961, presently in force in India.

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 Issue.

Neither we are suggesting nor advising the investor to invest money based on this statement. The contents of this 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.

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

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

Signed in terms of our separate report of even date.

For and on behalf of
ANANT RAO & MALIK
Chartered Accountants
Firm Registration No: 006266S

Sd/-

CA V. Anant Rao
Partner
Membership No: 022644

Place: Hyderabad
Date: 28-11-2022
UDIN No: 22022644BEIWSL4687

SECTION VI: ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from “www.ibef.org” and also extracted from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. 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 and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

INDIAN ECONOMY OVERVIEW

INTRODUCTION

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

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

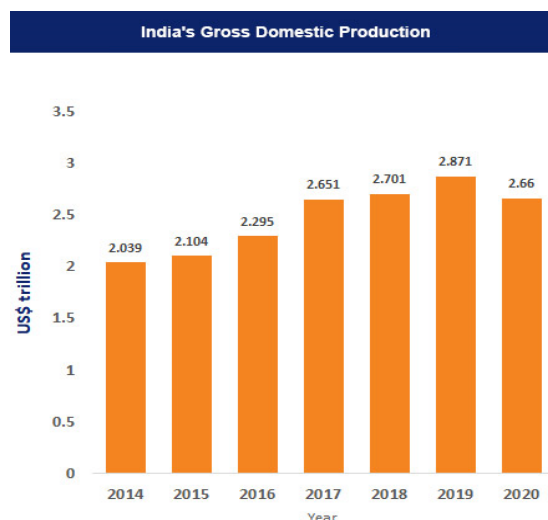
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

MARKET SIZE

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

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

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of



their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

RECENT DEVELOPMENTS

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

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

GOVERNMENT INITIATIVES

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

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.

- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022:
 - Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
 - The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.

- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

ROAD AHEAD

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

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

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

IT INDUSTRY OVERVIEW

INTRODUCTION

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

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

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

India's rankings improved four places to the 46th position at the 2021 edition of the Global Innovation Index (GII).

MARKET SIZE

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

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

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

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

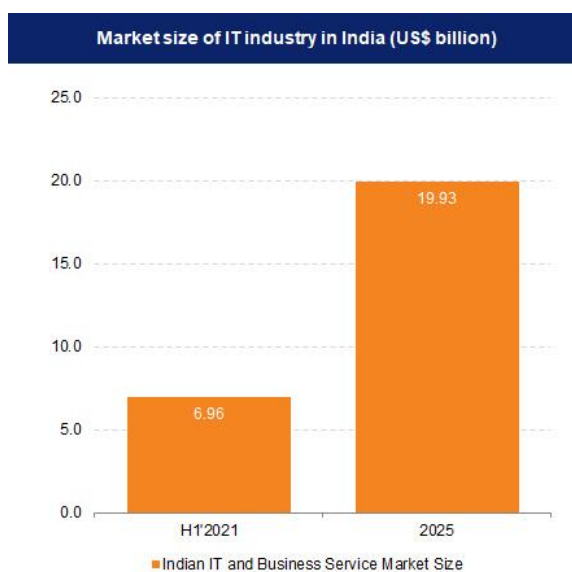
Exports from the Indian IT industry stood at US\$ 149 billion in FY21. Export of IT services has been the major contributor, accounting for more than 51% of total IT export (including hardware). BPM and Engineering and R&D (ER&D) and software products export accounted for 20.78% each to total IT exports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

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

INVESTMENTS/ DEVELOPMENTS

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

- In August 2022, Network People Services Technologies (NPST) announced that it was working on a banking super app. The high-end platform can be used by banks, fintech companies, and other BFSI players, and it will offer a seamless user experience with all banking, financial, and transactional services combined into a robust, smart app.
- In August 2022, PwC India announced that it was planning to hire 10,000 employees in the cloud and digital technologies space over the next five years.
- In the first half of 2022, PE/VC investments in the technology sector stood at US\$ 3.96 billion across 121 deals.
- The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 85.51 billion between April 2000-March 2022. The sector ranked 2nd in FDI inflows as per the data



released by Department for Promotion of Industry and Internal Trade (DPIIT). Computer software and hardware make up 14.53% of the cumulative FDI inflows.

- In July 2022, the Union Bank of India (UBI) launched a Metaverse Virtual Lounge and Open Banking Sandbox environment in partnership with Tech Mahindra.
- In June 2022, ZStack International, a worldwide market leader in cloud computing, IaaS and PaaS solutions, announced that they were entering into India and the SAARC Region.
- In June 2022, Redington India, an IT provider, entered into a multi-year strategic agreement with Amazon Web Services (AWS) to drive cloud technology adoption in India.
- American-Irish consumer credit reporting company Experian is planning a major expansion of its global innovation centre (GIC) in Hyderabad to about 4,000 employees over the next three to five years. According to sources, GIC will concentrate on employing emerging technologies in the BFSI (banking, financial services, and insurance) sector, including cloud computing, big data analytics, artificial intelligence, and machine learning.
- In 2021, PE investments in the IT sector stood at US\$ 23.4 billion.
- India's IT startup ecosystem has received record investments of nearly US\$ 36 billion in privately held companies in 2021, up from US\$ 11 billion in 2020.
- In March 2022, Licious, India's largest tech-first, fresh animal protein brand, raised US\$ 150 million in a Series F2 funding round.
- In March 2022, Byju's raised US\$ 800 million in funding as part of a pre-IPO round, which values the Bengaluru-based company at about US\$ 22 billion.
- In March 2022, debt marketplace CredAvenue raised US\$ 137 million in a funding round led by Insight Partners, B Capital Group and Dragoneer Investment Group, which propelled the startup's valuation to US\$ 1.3 billion.
- In February 2022, Hasura, a software company which helps developers with tools, raised US\$ 100 million in a fresh funding round led by Greenoaks Capital, which elevate the company into a unicorn.
- In January 2022, Google announced plans to invest US\$ 1 billion in India's Bharti Airtel Ltd. to push India's digital ecosystem.
- Amazon has partnered with Airtel to sell Amazon Web Services (AWS) to its customers and intends to inject US\$ 1.6 billion in their two upcoming data centres in Hyderabad.
- In November 2021, Wipro partnered with TEOCO to build solutions for communication service providers (CSPs) to improve network automation, efficiency, flexibility and reliability.
- In August 2021, Tata Consultancy Services was adjudged a leader in the NelsonHall NEAT for CX Services in Banking, Financial Services and Insurance (BFSI).

GOVERNMENT INITIATIVES

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

- In August 2022, the Indian Computer Emergency Response Team (CERT-In), in collaboration with the Cyber Security Agency of Singapore (CSA), successfully planned and carried out the "Synergy" Cyber Security Exercise for 13 countries to build network resilience against ransomware attacks.
- In June 2022, STPI Director General Mr. Arvind Kumar stated that exports through STPI units have increased from Rs. 17 crore (US\$ 2.14 million) in FY92 to Rs. 5.69 lakh crore (US\$ 71.65 billion) in FY22.
- In May 2022, it was announced that Indians can now avail their Digilocker services through Whatsapp to get easy access to their official documents.
- In April 2022, the Indian Computer Emergency Response Team (CERT-In) issued Directions to strengthen the cybersecurity in the country.
- In the Union Budget 2022-23, the allocation for IT and telecom sector stood at Rs. 88,567.57 crore (US\$ 11.58 billion).
- The government introduced the STP Scheme, which is a 100% export-oriented scheme for the development and export of computer software, including export of professional services using communication links or physical media.
- In November 2021, the government launched the Internet Exchange in Uttarakhand to enhance the quality of internet services in the state.
- The Karnataka government has signed three MoUs worth US\$ 13.4 million (Rs. 100.52 crore) to help the state's emerging technology sector.
- In September 2021, the Indian government announced a plan to build a cyber-lab for the 'Online Capacity Building Programme on Crime Investigation, Cyber Law and Digital Forensics' to strengthen cyber security capabilities.

- In September 2021, the Ministry of Electronics and Information Technology (MeitY) organised a workshop under the theme of ‘Connecting all Indians’ to promote public and private stakeholders’ interest in the country and expand internet access to remote areas.
- In September 2021, the Indian government launched the Meghalaya Enterprise Architecture Project (MeghEA) to boost service delivery and governance in the state by leveraging digital technologies, to make Meghalaya a high-income state by 2030.
- In September 2021, the Indian government launched Phase II of Visvesvaraya PhD Scheme to encourage research in 42 emerging technologies in information technology (IT), electronics system design & manufacturing (ESDM) and information technology enabled services (ITES).
- In September 2021, the Indian government inaugurated five National Institute of Electronics & Information Technology (NIELIT) Centres in three North-Eastern states to boost availability of training centres and employment opportunities.
- On July 2, 2021, the Ministry of Heavy Industries and Public Enterprises launched six technology innovation platforms to develop technologies for globally competitive manufacturing in India. The six technology platforms have been developed by IIT Madras, Central Manufacturing Technology Institute (CMTI), International Centre for Automotive Technology (iCAT), Automotive Research Association of India (ARAI), BHEL, and HMT, in association with IISc Bangalore.
- The Department of Telecom, Government of India and Ministry of Communications, Government of Japan, signed an MoU to enhance cooperation in areas of 5G technologies, telecom security and submarine optical fibre cable system.

ROAD AHEAD

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

The Indian IT & business services industry is expected to grow to US\$ 19.93 billion by 2025. Spending on information technology in India is expected to reach US\$ 144 billion in 2023. The cloud market in India is expected to grow three-fold to US\$ 7.1 billion by 2022 with the help of growing adoption of big data, analytics, artificial intelligence and the Internet of Things (IoT).

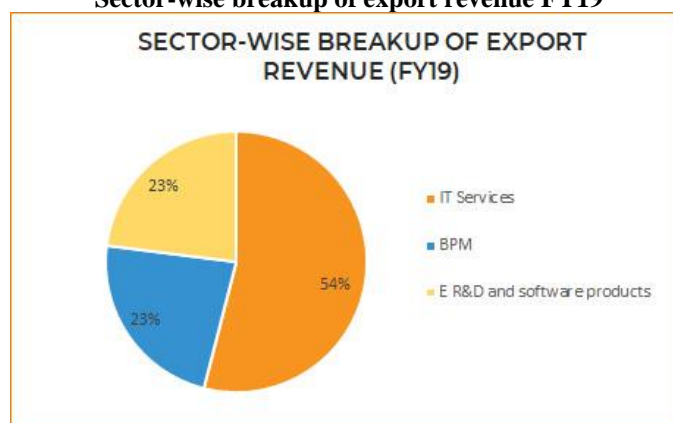
As per a survey by Amazon Web Services (2021), India is expected to have nine times more digitally skilled workers by 2025.

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

*Note: * - As per Gartner, ^ - Artificial Intelligence*

References: Media Reports, Press Information Bureau (PIB), Department for Promotion of Industry and Internal Trade (DPIIT), Department of Information and Technology, Union Budget 2022-23

Sector-wise breakup of export revenue FY19



EXECUTIVE SUMMARY

1

LARGE CONTRIBUTION TO THE INDIAN ECONOMY

- The IT industry accounted for 8% of India's GDP in 2020.
- India's IT industry is expected to contribute 10% to India's GDP by 2025.
- As of FY22, the IT industry employs 5 million people.

2

STRONG GROWTH OPPORTUNITIES

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

3

EXPORT AND EMPLOYMENT GROWTH

- Exports from the Indian IT industry stood at US\$ 149 billion in FY21.
- The BPM sector in India currently employs >1.4 million people, while IT and BPM together have >4.5 million workers, as of FY21.

4

ACCELERATING DEMAND FOR CLOUD AND DIGITAL TRANSFORMATION

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

5

MOST LUCRATIVE SECTOR FOR INVESTMENTS

- The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 85.51 billion between April 2000-March 2022. The sector ranked 2nd in FDI inflows as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).
- Computer software and hardware make up 14.53% of the cumulative FDI equity inflows.

Source: NASSCOM, DPIIT, News Article

ADVANTAGE INDIA

1

COMPETITIVE ADVANTAGE

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

2

GROWING DEMAND

- Strong growth in demand for export from new verticals.
- India's IT and business services market is projected to reach US\$ 19.93 billion by 2025.
- According to Gartner estimates, IT spending in India is expected to increase to US\$ 101.8 billion in 2022 from an estimated US\$ 81.89 billion in 2021.

3

GLOBAL FOOTPRINTS

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

4

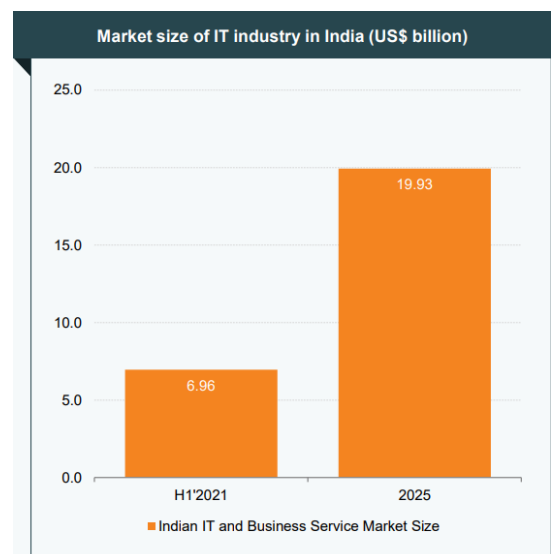
POLICY SUPPORT

- In September 2021, the Indian government issued Goods and Services Tax (GST) Council's clarification on intermediaries for the IT & BPM industry, simplifying the refund process.
- In the Union Budget 2022-23, the allocation for IT and telecom sector stood at Rs. 88,567.57 crore (US\$ 11.58 billion).
- The Ministry of Electronics and Information and Technology (MeitY) has approved 14 eligible applicants under the production linked incentive scheme (PLI) for IT hardware.

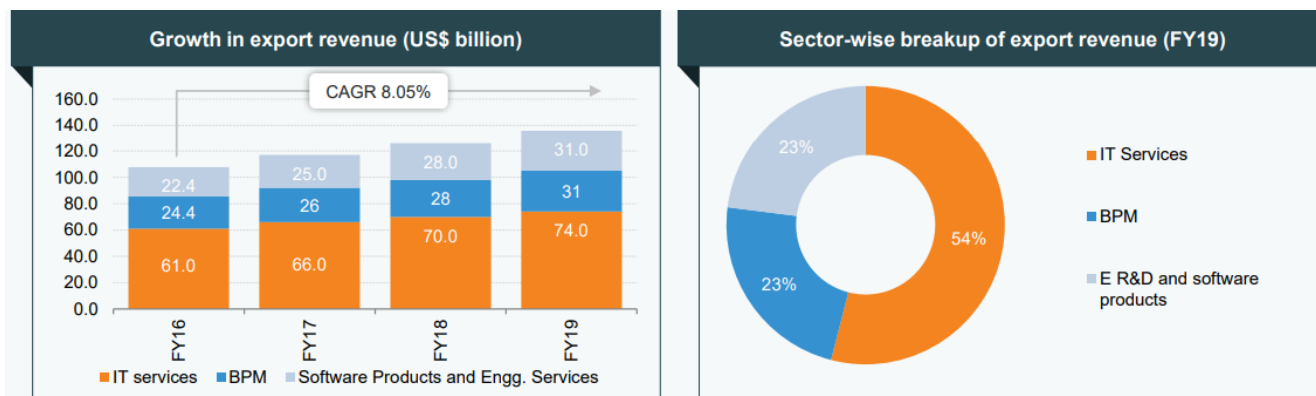
INDIA'S IT MARKET SIZE GROWING

- The IT industry added 4.45 lakh new employees in FY22, bringing the total employment in the sector to 50 lakh employees.
- The IT-BPM services revenue reached US\$ 194 billion in FY21.
- In November 2021, Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, lauded the Indian IT sector for excelling its competitive strength with zero government interference. He further added that service exports from India had the potential to reach US\$ 1 trillion by 2030.
- Spending on information technology in India is expected to reach US\$ 144 billion in 2023.
- The cloud market in India is expected to grow three-fold to US\$ 7.1 billion by 2022 with the help of growing adoption of big data, analytics, artificial intelligence and Internet of Things (IoT), according to Cloud Next Wave of Growth in India report.
- India's digital economy is estimated to reach US\$ 1 trillion by 2025.
- Artificial Intelligence (AI) is expected to boost India's annual growth rate by 1.3% by 2035, according to NITI Aayog.
- The Karnataka government has signed three MoUs worth US\$ 13.4 million to help the state's emerging technology sector.

Source: NASSCOM, Gartner, News Articles



STRONG GROWTH IN IT & BPM EXPORTS



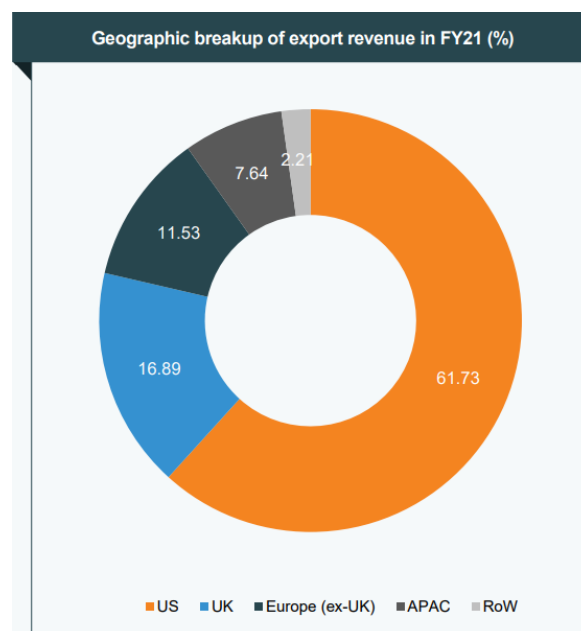
- Exports from the Indian IT industry are expected to be around US\$ 178 billion in FY22.
- Export of IT services has been the major contributor, accounting for more than 51% of total IT export (including hardware).
- BPM and engineering and R&D (ER&D) and software products export accounted for 20.78%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

Note: E – Estimated, * excluding exports through commercial presence
Source: Nasscom, Make in India, IDC

With over 61% share, the US is a major importer of IT services

- US has traditionally been the biggest importer of Indian IT exports, as it absorbed over 61.73% of Indian IT & BPM exports during FY21.
- Non-US-UK countries accounted for just 21.38% of the total Indian IT & BPM exports during FY21.
- As of FY21, US and UK were the leading customer markets with a combined share of nearly 79%. However, there is a growing demand from APAC, Latin America and Middle East Asia regions.
- Being the low-cost exporter of IT services, India is going to attract more markets in other regions in the same manner in which it tapped the US market.

Note: ROW is Rest Of the World, APAC is Asia Pacific
Source: Nasscom, Department of Electronics and IT Annual Report



NOTABLE TRENDS

Global delivery model

- Indian software product industry is expected to reach US\$ 100 billion by 2025. Indian companies are focusing on investing internationally to expand their global footprint and enhance their global delivery centres.
- In line with this, in February 2021, Tata Consultancy Services announced plans to recruit 1,500 technology employees across the UK over the next year. The development would build capabilities for TCS to deliver their services efficiently to the UK customers.

India to become the data annotation and labelling hub

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

New technologies

- Disruptive technologies such as cloud computing, social media and data analytics are offering new avenues of growth across verticals for IT companies.
- The SMAC (social, mobility, analytics, cloud) market stood at US\$ 225 billion in 2020.
- In June 2022, ZStack International, a worldwide market leader in cloud computing, IaaS and PaaS solutions, announced that they were entering into India and the SAARC Region.
- American-Irish consumer credit reporting company Experian is planning a major expansion of its global innovation centre (GIC) in Hyderabad to about 4,000 employees over the next three to five years. According to sources, GIC will concentrate on employing emerging technologies in the BFSI (banking, financial services, and insurance) sector, including cloud computing, big data analytics, artificial intelligence, and machine learning.

Cloud Platform

- Key players are focusing on differentiated cloud products/platforms to avail a competitive advantage over other industry players.
- In August 2022, PwC India announced that it was planning to hire 10,000 employees in the cloud and digital technologies space over the next five years.
- In January 2022, Google announced plans to invest US\$ 1 billion in India's Bharti Airtel Ltd. to push India's digital ecosystem.

Most lucrative sector for investments

- The computer software and hardware sector in India attracted cumulative FDI inflows worth US\$ 85.51 billion between April 2000- March 2022, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Government's Initiative

- In August 2022, the Indian Computer Emergency Response Team (CERT-In), in collaboration with the Cyber Security Agency of Singapore (CSA), successfully planned and carried out the "Synergy" Cyber Security Exercise for 13 countries to build network resiliency against ransomware attacks.
- In November 2021, the government launched Internet Exchange in Uttarakhand to enhance the quality of internet services in the state.
- In September 2021, the Ministry of Electronics and Information Technology (MeitY) organised a workshop under the theme of 'Connecting all Indians', to promote public and private stakeholders' interest in the country and expand internet access to remote areas.
- In September 2021, the Indian government launched the Meghalaya Enterprise Architecture Project (MeghEA) to boost service delivery and governance in the state by leveraging digital technologies, to make Meghalaya a high-income state by 2030.

IT SECTOR TO BE DRIVEN BY STRONG DEMAND AND INDIAN EXPERTISE

Combat Cyber-security

- India's Ministry of Home Affairs and the National Critical Information Infrastructure Protection Centre are working on a new national strategy to strengthen the country's cybersecurity amid allegations that Chinese intrusions may have affected operations at a key stock exchange and supply of electricity in Mumbai.
- In April 2022, the Indian Computer Emergency Response Team (CERT-In) issued directions to strengthen the cybersecurity in the country.

Talent pool

- NASSCOM has estimated that the digital talent pool in India will cross 1.17 million in FY21, an increase of 32% YoY.
- According to a report published by Microsoft, consultancy firm Bain & Co, and industry body Internet and Mobile Association of India (IAMAI), India produces 16% of the entire world's AI talent pool – the third highest in the world.

Public cloud market

- Public cloud adoption in India is projected to grow by 30% YoY to reach US\$ 7.3 billion by 2022, driven by rising demand from companies for IT modernization

Policy support

- More liberal system for raising capital, seed money and ease of doing business.
- Government of India announced plans to launch a national programme on AI and setting up of a National AI portal.
- In Union Budget 2022-23, the allocation for IT and telecom sector stood at Rs. 88,567.57 crore (US\$ 11.58 billion).
- The government introduced the STP Scheme, which is a 100% export-oriented scheme for the development and export of computer software, including export of professional services using communication links or physical media.
- Tax holidays for STPI and SEZs.

Infrastructure

- Infrastructure software revenue in India was forecasted to reach US\$ 4.6 billion in 2021, an increase of 12% YoY, driven by rising demand for security-as-a-service offerings, and detection and response capabilities.

Note: STPI stands for Software Technology Park of India, SEZ stands for Special Economic Zone, ICT - Information and communications technology

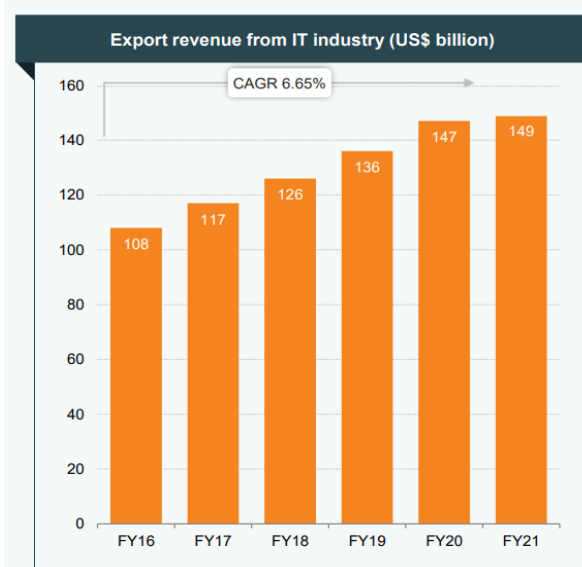
Source: Nasscom, News Articles

Exports to remain robust as global IT industry maintains growth

- Exports from the Indian IT industry are expected to be around US\$ 178 billion in FY22.
- Export revenue from the industry grew at a CAGR of 6.65% to US\$ 149 billion in FY21 from US\$ 108 billion in FY16.

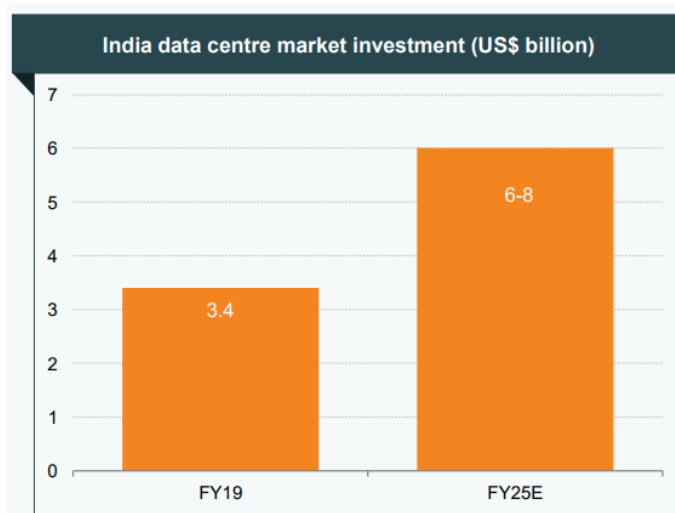
Note: E - Estimate

Source: Nasscom, Media Sources



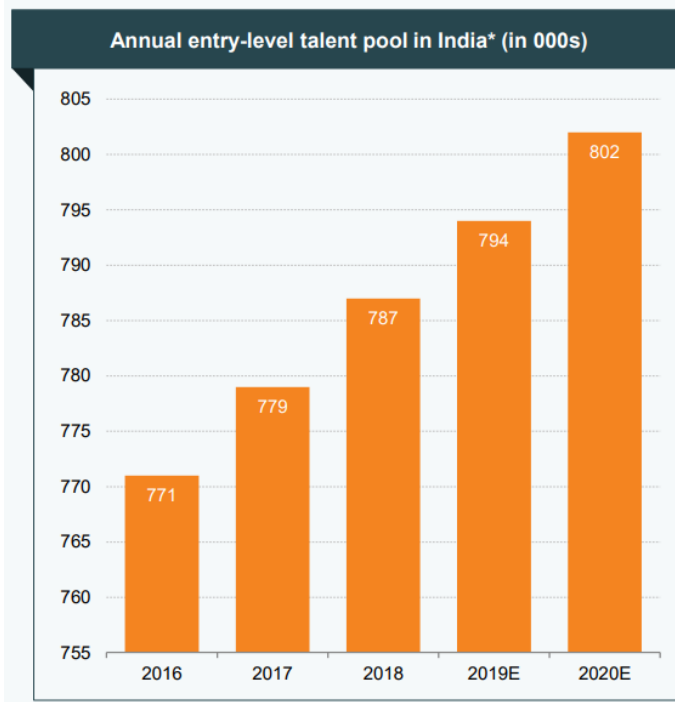
Accelerating demand for cloud to be a major growth driver

- With digital transformation accelerating across sectors, the pandemic has driven demand for cloud services worldwide, and the Internet has become a lifeline for people both for work and entertainment. This move towards cloud services has accelerated hyper-scale data centre investments, with global investments estimated to exceed US\$ 200 billion per year by 2025.
- The demand for cloud technology professionals is expected to reach 2 million by 2025.
- The cumulative investments in data centres in India are estimated to reach US\$ 28 billion between 2019-25, at a CAGR of 5%, 2x faster than the global average.
- The COVID-19 pandemic has accelerated the demand for third-party data centre services in India.
- The key data centre locations are Mumbai, Chennai, Bangalore, Hyderabad and Delhi (NCR).
- According to a survey conducted by Infosys in May 2021, the increased adoption of cloud technologies represents an opportunity worth more than US\$ 400 billion in additional annual profits across industries such as financial services, insurance, manufacturing, healthcare and retail.
- According to the research findings commissioned by Amazon Web Services (AWS), Indian enterprises and public sector organisations (that migrated from on-premises data centres to cloud infrastructure) can expect to lower their energy and carbon footprint by over 80%.
- In July 2021, Ascendas Property Fund Trustee Pte. Ltd, the trusteemanager of Ascendas India Trust (a-iTrust), announced plans to build data centres in India and invest Rs. 1,200 crore (US\$ 160.67 million) to develop phase one of its first data centre campus in the country.
- Amazon has partnered with Airtel to sell Amazon Web Services (AWS) to its customers and intends to inject US\$ 1.6 billion in their two upcoming data centres in Hyderabad.



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

- The BPM sector in India currently employs >1.4 million people, while IT and BPM together have >5 million workers, as of FY22.
- The industry continues to be a net hirer of skilled talent, adding 138,000 people in FY21, and comprises robust hiring plans for FY22, with the top 5 Indian IT companies planning to add 96,000 employees.
- India BPO promotion scheme was approved under the Digital India programme. It aims to create employment opportunities for the youth and promote investments in the IT & BPM industry. Under the scheme, employment has already been created for more than 10,000 individuals.
- For FY22, the following announcements were made by IT companies:
 - In August 2021, Startek, a business process management company, announced a plan to increase its minority stake in CSS Corp to reach a wider market. It also announced a plan to recruit 2,000 employees in India in FY22.
 - Infosys plans to employ 35,000 freshers in FY22, up from 21,000 in FY21.
 - Wipro plans to hire 12,000 people on campus, up 33% from the previous year.
 - HCL Tech expects to hire 20,000-22,000 people, up 50% from 14,600 in FY21.
 - TCS plans to recruit 40,000 graduates, equal to the number hired in FY21.

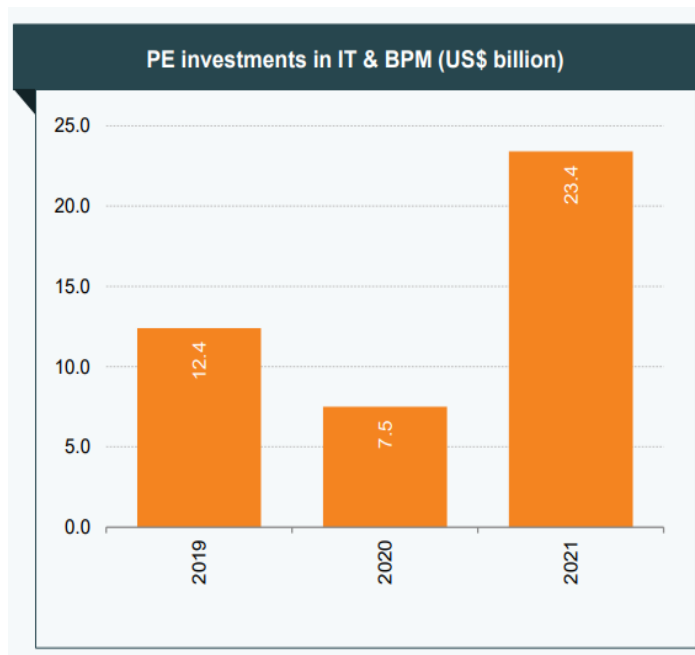


SEZs to drive IT sector

- IT-SEZs have been initiated with an aim to create zones that lead to infrastructural development, exports and employment.
- As of November 2021, there were 425 approved SEZs across the country, and of these, 276 were from IT & ITes and 145 were exporting SEZs.
- Over 50 cities already have the basic infrastructure and human resources to support the global sourcing and business services industry. Some cities are expected to emerge as regional hubs supporting domestic companies.
- Software Technology Parks of India (STPI) has set up 57 centres across the country to provide single window clearance and infrastructure facilities. STPI units can avail excise duty exemptions on procurement of indigenously manufactured goods.
- In June 2022, STPI Director General Mr. Arvind Kumar stated that exports through STPI units have increased from Rs. 17 crore (US\$ 2.14 million) in FY92 to Rs. 5.69 lakh crore (US\$ 71.65 billion) in FY22.
- In October 2021, STPI FinBlue in Chennai selected 20 start-ups from the FinTech domain including trading, banking and lending to explore cross-border collaboration. It has signed an MoU with ASEAN Financial Innovation Network Ltd.
- In October 2021, the STPI and Society for Innovation & Entrepreneurship, IIT Bombay, signed an MoU to strengthen the start-up ecosystem by leveraging the latter's expertise and knowledge.

Impressive growth prospects

- IT & BPM is the second leading sector in receipt of private equity (PE) investments in India.
- In the first half of 2022, PE/VC investments in the technology sector stood at US\$ 3.96 billion across 121 deals.
- India's IT startup ecosystem has received record investments of nearly US\$ 36 billion in privately held companies in 2021, up from US\$ 11 billion in 2020.
- Baring Private Equity Asia (BPEA) is going to acquire a 30% stake in NIIT technologies Ltd. for Rs. 2,627 crore (US\$ 375.88 million).
- TCS has made significant investments in building intellectual property in the digital assurance domain.
- In March 2022, Licious, India's largest tech-first, fresh animal protein brand, raised US\$ 150 million in a Series F2 funding round.
- In March 2022, Byju's raised US\$ 800 million in funding as part of a pre-IPO round, which values the company at about US\$ 22 billion.
- In March 2022, debt marketplace CredAvenue raised US\$ 137 million in a funding round led by Insight Partners, B Capital Group and Dragoneer Investment Group, which propelled the startup's valuation to US\$ 1.3 billion.
- In February 2022, Hasura, a software company which helps developers with tools, raised US\$ 100 million in a fresh funding round led by Greenoaks Capital, which elevates the company into a unicorn.

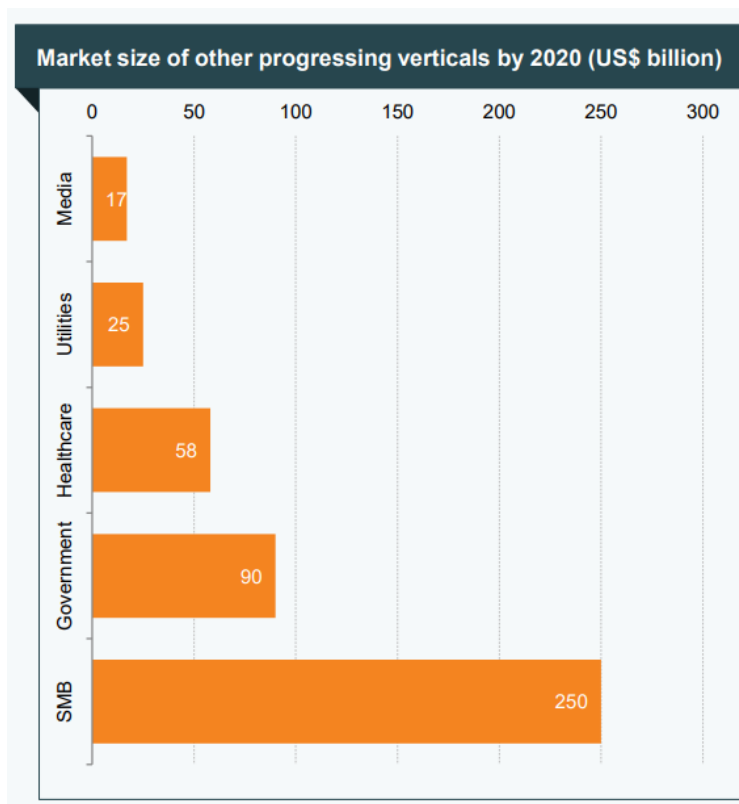


Newer geographies and verticals provide huge opportunities

1. New vertical
Non-linear growth due to platforms, products and automation. Emerging verticals (retail, healthcare, utilities) are driving growth.
2. New geographies
BRIC nations, continental Europe, Canada and Japan have IT spending of approximately US\$ 380-420 billion. Adoption of technology and outsourcing is expected to make Asia the second largest IT market by 2023.
3. Legacy modernization
As per TCS Survey Results (February 2021), more than 70% CXOs of global companies consider mainframe or legacy modernisation a strategic business priority for the next three years (FY21-23).

Expansion of focus areas to aid future growth

- Technologies, such as telemedicine, health, remote monitoring solutions and clinical information systems, would continue to boost demand for IT services across the globe.
- In 2021, 20+ public digital platforms emerged in India, to promote innovation and form a unique differentiation for the country.
- IT sophistication in the utilities segment and the need for standardisation of the process are expected to drive demand.
- Digitisation of content and increased connectivity is leading to a rise in IT adoption by the media.
- RBI is executing a plan to reduce online transaction costs to encourage digital banking in India.
- The rollout of fifth generation (5G) wireless technology by telecommunication companies is expected to bring at least US\$ 10 billion global business to Indian IT firms by 2019-25.
- Emerging geographies would drive the next phase of growth for IT firms in India.
- BRIC would provide US\$ 380-420 billion opportunity by 2020.
- Focus on building local credible presence, high degree of domain expertise at competitive costs and attaining operational excellence hold key to success in new geographies.
- Emphasis on export of IT services to current importers of other products and services.



Countries offering growth potential to IT firms

| Country | IT spend | India's penetration | Key segments |
|-----------|------------------|---------------------|--|
| Canada | US\$ 63 billion | ~1.5% | Enterprise applications, cyber security, healthcare IT |
| Europe | US\$ 230 billion | <1.5% | IT sourcing, BPM, IS outsourcing, CAD |
| Japan | US\$ 235 billion | <1% | CRM, ERP, Salesforce automation, SI |
| Spain | US\$ 26 billion | <1.5% | IT sourcing, SI |
| Mexico | US\$ 29 billion | ~4% | IT sourcing, BPM |
| Brazil | US\$ 47 billion | ~2% | Low level application management, artificial intelligence, R D |
| China | US\$ 105 billion | <1% | Software outsourcing, R&D |
| Australia | US\$ 48 billion | ~4% | Procurement outsourcing, infrastructure software and CAD |

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 Letter of Offer. An investment in the Equity Shares involves a high degree of risk.

For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 20 of this Letter of Offer, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 92 and 162, 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 Unaudited Financial Statements and Audited Financial Statements.

BRIEF OVERVIEW

Edvenswa Enterprises Limited (Formerly KLK Electrical Limited) (CIN: L72300TN1980PLC008230) was incorporated originally as KLK Electrical Industries Private Limited on 18th April, 1980 as a Private Limited Company under the Indian Companies Act, 1956. The name of the Company was changed to KLK Electrical Industries Limited under Section 21 of the Companies Act, 1956 with effect from 26th December, 1985 upon conversion from Private to Public under the Indian Companies Act, 1956. The name was further changed to KLK Electrical Limited with effect from 11th November, 2003. The name further changed to “Edvenswa Enterprises Limited” with effect from November 22, 2022.

On 02nd November, 2021, the Board of Directors of KLK Electrical Ltd in its meeting considered and approved the preferential allotment of 60,00,000 (Sixty Lakh) equity shares at a price of Rs.25/- per equity share to Sreenivasa Sreekanth Uppuluri in consideration for purchase of entire 60,00,000 Common Stock of Edvenswa Tech INC held by him valued at Rs.25/- per common stock, in the ratio of 1:1 (i.e., 1 Equity share of KLK Electrical Limited for every 1 share of Edvenswa Tech INC) and 12,00,000 (Twelve Lakh)Equity Share Warrants at a price of Rs.25/- per Warrant on a cash consideration with a right to the warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of Rs.10/- each of the Company (“Equity Shares”) at a premium of Rs.15/- per share warrant within a period of 18 (Eighteen) months from the date of allotment of the Warrants, aggregating to Rs. 3,00,00,000/- (Rupees Three Crores Only) to Yerradoddi Ramesh Reddy. The said transaction was approved vide Special Resolution dated December 02, 2021.

The above transaction triggered an open offer for which the public announcement was given on November 02, 2021 and payment to public shareholders who had tendered the shares in the open offer was completed on February 16, 2022.

By virtue of the above transaction the new management comprising of Sreenivasa Sreekanth Uppuluri and Yerradoddi Ramesh Reddy who were into the business of providing Information technology services to global clients through onsite and offshore software delivery and who wanted to expand the business across India and United states through organic and inorganic growth took over the reins of our Company.

Edvenswa Enterprises Limited (*formerly KLK Electrical Limited*) is a Holding Company of Edvenswa Tech INC with consolidated business interests in software development, enterprise solution engaged in the business of providing a range of Information Technology (“IT”) solutions to companies across sectors such as Healthcare & Life Sciences, Supply Chain & Logistics, Banking & Financial Services, Energy, Education and Environment etc. We design, develop and maintain software systems and solutions, create new applications and enhance the functionality of our customers’ existing software applications using our proprietary tools, frameworks and processes which accelerate the overall delivery process with higher quality.

Edvenswa Group endeavors to bring together creativity and knowledge with a positive business strategy to furnish the requirements of diverse clients with an inclusive range of services which are comprehensive and cost-effective so that the client can focus on their core-competencies to improve or expand their businesses. The Edvenswa Group delivers services across all stages of the Software Development life-cycle, which enables us to work with a wide-range of customers and allows us to develop, enhance and deploy our customers’ software applications. The various services offered by our Company are UI/UX Design & Development; Rapid Prototyping & Product Development for Customers; Enterprise Application Engineering; Software Quality Assurance; Business Process Automation using Robotic Process Automation (RPA) tools; Social/Mobile Application Development; Application Integration, Maintenance & Migration Services; Cloud Migration Services; DevOps Engineering; Data Management & Integration; Big Data, Analytics & Data Science related Services; Application Integration; Mobile Application Development & Integration; and Extended R&D Partnering etc.

Our comprehensive suite of service offerings allows us to attract new customers and expand existing customer relationships. We offer custom solutions for Smart Cities & Villages using the best of the breed solutions; We offer solutions to support continuous education of our Customers' Workforce using our highly customizable and scalable Learning Management platform; We design and develop Intelligent Agents (ML/AI based) etc. to enhance operational efficiency of our customers and help in strategizing their business objectives.

To provide software services through Global Delivery model, operating in different location within India and abroad, Edvenswa Enterprises Limited acts as the offshore arm of the Business in India having its Registered Office at Chennai, India and Edvenswa Tech Inc. USA acts as the onsite arm of the business in abroad having its corporate offices in San Jose, California and Bellevue Washington Stat and Registered Office at Georgia, USA.

Edvenswa Tech Inc. USA sources the business that can be delivered using a highly mature Global Delivery Model with resources located onshore (USA), and offshore (India). The offshore team is managed by Edvenswa Enterprises Limited, and the onshore is managed by Edvenswa Tech Inc. USA. Currently Edvenswa Enterprises Limited is providing recruitment (staffing) services for Edvenswa Tech Inc. USA. Edvenswa Enterprises Limited has a team of efficient recruiters who have expertise in US sales and recruitment. These recruiters work in the US time zone from India using various sourcing databases, tools and techniques to help in sourcing the right candidates in a highly efficient manner to meet the requirements of our clients. Edvenswa Tech Inc. manages all the Contracts with our clients and bills them on a monthly basis based on the hours of work put in by our Employees, Contractors and the Sub-contractors. Edvenswa Enterprises Limited invoices Edvenswa Tech Inc. USA for the back-office support services i.e recruitment (staffing) services provided. In certain cases, Edvenswa Tech Inc. USA may assign a fixed cost software project to Edvenswa Enterprises Limited and for this type of work, agreed lumpsum amount shall be paid to Edvenswa Enterprises Limited as per the agreed terms during the delivery of such project.

One of our promoter group Company M/s. Edvenswa Tech Private Limited is currently providing offshore delivery of services pertaining to software development to some of Edvenswa Tech Inc's clients in USA. For these services, Edvenswa Tech Private Limited raises invoices on Edvenswa Tech Inc. Edvenswa Tech Private limited has invested its resources to develop, deploy and provide an array of software products to its customers like EmPortal, EdVision, UniOne WorkForce, Omni Sporting, Scool etc.

Our Company Edvenswa Enterprises Limited is planning to expand its business operations in India by providing an array of Software development services specializing in UI/UX Design & Development; Rapid Prototyping & Product Development for Customers; Enterprise Application Engineering; Software Quality Assurance; Business Process Automation using Robotic Process Automation (RPA) tools; Social/Mobile Application Development; Application Integration, Maintenance & Migration Services; Cloud Migration Services; DevOps Engineering; Data Management & Integration; Big Data, Analytics & Data Science related Services; Application Integration; Mobile Application Development & Integration; and Extended R&D Partnering etc. along with its USA subsidiary company and the proceeds of the Rights Issue will augment its expansion plans.

Our Present Promoter Mr. Sreenivasa Sreekanth Uppuluri has more than 20 years of experience in building customer-service oriented high-performance teams delivering Software Products, Services and Solutions to customers across the globe using cutting-edge technologies. He is aided by another Promoter Mr. Yerradoddi Ramesh Reddy who has rich experience in finance and business management domains. Mr. Uppuluri ideated the acquisition of Edvenswa Tech Inc. USA by our company through swap of shares.

The Equity Shares of Edvenswa Enterprises Limited (formerly KLK Electrical Limited) are currently listed on BSE (Main Board) since February 02, 1989 with Scrip Symbol: EDVENSWA; Security Code: 517170 and ISIN: INE125G01014.

Major Milestones:

- *Our Company incorporated as Private Limited Company in the name of "KLK Electrical Industries Private Limited" on April 18, 1980.*
- *Our company was converted into Public Limited Company and the name of our company was changed to "KLK Electrical Industries Limited" on December 26, 1985.*
- *The Equity Shares of our company are currently listed on BSE (Main Board) since February 02, 1989.*
- *The name of our company was changed to "KLK Electrical Limited" on November 11, 2003.*
- *Our Company has acquired 100% control over Edvenswa Tech Inc. USA by way of purchasing all the existing 60,00,000 equity shares from Mr. Sreenivasa Sreekanth Uppuluri and issued 60,00,000 equity shares of Edvenswa Enterprises Limited (formerly KLK Electrical Limited) to Mr. Sreenivasa Sreekanth Uppuluri through swap of shares on preferential basis vide special resolution dated December 02, 2021 and Mr. Sreenivasa Sreekanth Uppuluri has become the majority shareholder of Edvenswa Enterprises Limited (formerly KLK Electrical Limited).*

- Our Company has also issued 12,00,000 Equity Share Warrants to Mr. Yerradoddi Ramesh Reddy vide special resolution dated December 02, 2021.
- Our Company was acquired by the current promoters Sreenivasa Sreekanth Uppuluri and Yerradoddi Ramesh Reddy by virtue of the Open Offer.
- Our Company has increased Authorised Share Capital from ₹ 1000.00 lakhs to ₹ 2000 lakhs vide resolution dated September 27, 2022.
- Our Company has converted 4,30,000 Equity Shares Warrant out of 12,00,000 Equity Shares Warrant into fully paid-up Equity Shares vide Board Resolution dated November 05, 2022.
- The name of our company was changed to “Edvenswa Enterprises Limited” on November 22, 2022.

Break-up of our Total Revenue from Operation is given below:

₹ in lakhs

| Particulars | Consolidated | | Standalone | | | |
|--|--------------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|
| | 30.09.2022 (Limited Review) | 31.03.2022 (Restated) | 30.09.2022 (Limited Review) | 31.03.2022 (Restated) | 31.03.2021 (Restated) | 31.03.2020 (Restated) |
| Revenue from Operations: | | | | | | |
| <input type="checkbox"/> Revenue from Services | 2,222.53 | 3,787.75 | 31.52 | 50.24 | 104.12 | - |

OUR PRODUCTS AND SERVICES

Our Services

Our Company (including our wholly owned subsidiary) provides a comprehensive range of services for our customers across all phases of the business life-cycle. Our Company designs, develops, tests, provides quality assurance, deploys, supports and maintains software systems and solutions for our customers. Our Company also creates new custom applications, enhances the functionality of our customers’ existing software products, and participates in the release of new product versions.

Our Company (including our wholly owned subsidiary) is committed to help our customers increase the productivity of their business. Our services are delivered through sharp and creative thinking, state-of-art development, and strict project management. Our end-to-end solutions have an inbuilt high quality which provides the starting edge to our customers. Our team specializes in web, ecommerce, applications and systems development as well as in Microsoft platform services and database management systems.

Further, our offshore services enable our customers to build, manage and implement projects cost-effectively in a flexible environment. Our Company (including our subsidiary) evaluates the needs of its customers and provides tailor made solutions to suit each business strategy.

Major services offered by our Company (including our subsidiary) include:

- **UI/UX Design & Development**

Our UI/UX services include design, development and even enhancement of the usability of enterprise applications on the web, mobile and tab interfaces. Based on our deeper understanding of the domain-specific requirements, we focus on improving the navigation, to enhance the user experience.

Our resources have expertise in the modern stack of front-end technologies, programming languages and frameworks to provide the entire range of UI/UX services – right from requirements analysis, wireframing to development of interactive and responsive UI with visuals.

Services

- Prototyping
- Product Design & Development
- Application Migration to new platforms – Responsive Applications

- Mobile Applications

Skill Sets & Technologies

- Design - Sketch, InVision, Microsoft Azure
- Web Development - HTML5, JavaScript, CSS, PHP, Flash
- Platforms – Microsoft Windows, Mac OS, Android
- Frameworks - Bootstrap, Web 2.0
- Content and Workflow Management - WordPress, Joomla, Drupal

- **Rapid Prototyping**

Rapid prototyping allows our clients to realize their concepts before they make their product plans final. Edvenswa’s team will assist in building prototypes, by working in small, short-term projects before the development gets into a full-scale development stage with all budgets in place.

The engagement model is ideal for the corporates that want to test and try out ideas and recommend them to their C levels for budget approvals.

Services

- Prototyping
- Product Design & Development
- Application Migration to new platforms – Responsive Applications
- Mobile Applications

Skill Sets & Technologies

- Web Development - HTML5, JavaScript, CSS, PHP, Flash
- Platforms – Windows, Mac OS, Android, iOS
- Frameworks - Bootstrap, AngularJs, Swift, Ruby on Rails

- **Enterprise Application Engineering**

Our Enterprise Application Engineering Services offerings include custom application development, application integration and application migration services.

Many of the enterprises which use in-house developed enterprise applications invariably need to migrate their applications to new technologies and frameworks, in order to get integrated with the recent developments. For example, when a very large retail company wanted to integrate social media into their in-house built order management application, the challenges can be many: resources, infrastructure, technological as well as compatibility.

With the help of Edvenswa’s hybrid experience with legacy systems as well as the modern stack of enterprise applications that, our clients across a wide range of industry verticals can stay competitive in the market.

Services

- Application Engineering Services
- SaaS – Development and Maintenance
- Reengineering
- Application Management Services

Skill Sets & Technologies

- Platforms: Java, .NET
- Programming: Client Side/Server Side and Databases
- Applications: Enterprise Resource Planning (ERP), Supply Chain Management (SCM), Customer Relationship Management (CRM), Human Resource Management (HRM), Analytical Applications –Visualization, Dashboards
- Mobile and Social Media

- **Software Quality Assurance**

With the emergence of social media, analytics, mobile and cloud (SMAC) technologies and their intrusion into enterprise applications, software quality assurance becomes even more challenging. Our Quality Assurance Services team is well versed with the emerging technologies and is capable of providing a wide range of services, to ensure that customers.

Services

- Manual Testing
- Automated Testing
- Security and Compliance Testing
- API and Integration Testing
- Business Process and Business Rules validation

Tools

- Bugzilla, JIRA
- Selenium

- **Social/Mobile Application Development**

Over the past decade, there has been a tremendous amount of innovation in and around social, mobility, cloud and analytics. The pace of developments in SMAC areas has a very high impact on the businesses. SMAC technologies and applications have become very critical for enterprises in their transition from traditional e-business to digital business. These technologies help companies in better understanding the behavioural patterns, purchasing preferences that were not captured in the traditional systems.

At Edvenswa, our technology resources not only understand ways of managing structured and unstructured data from social and mobile platforms, but also the emerging business models that require integration of applications, and convergence of social, mobile, analytics and cloud technologies.

- **Application Integration, Maintenance & Migration Services**

With the evolution of mobility, it is imperative that enterprise applications and services are up and running on a 24x7 basis. In terms of customer expectations, the gap between mission-critical and business-critical is rapidly getting narrowed.

The emergence of new technologies and changing business environment often brings new challenges for businesses continuing to function on legacy enterprise systems. These organizations will become laggards and eventually lose out to competition, on account of speed, cost of maintenance, agility and so on.

At Edvenswa, we not only give the right recommendations but also hand-hold our valued customers with respect to application migration. We help our customers migrate from legacy systems to new technology-based, platform-based enterprise systems like the Cloud platforms - GCP, Microsoft Azure and Amazon Web Services.

Our application migration and maintenance support services help our customers in having uninterrupted services business operations.

- **Cloud & DevOps**

With the emergence of cloud as the major force driving the business in being able to make business services available across many devices and interfaces, software engineering processes need to align with the business trends. DevOps, the automation of the software engineering process, is the way to manage the software services – whatever is the model of offerings are: Software as a Service (SaaS), Platform as a Service (PaaS) or Infrastructure as a Service (IaaS).

Edvenswa's DevOps resources are experienced in a range of DevOps tools – Git, Jenkins, Docker, Puppet, ELK stack and Splunk for a version for a host of services – version control, build automation, application packaging, configuration management, application & infrastructure log management.

Our DevOps help Independent Application/Software Vendors (ISV) in continuous delivery of services.

- **Extended R&D Partnering**

In this model of engagement and services, Edvenswa team works in collaboration with the core design and development teams of our clients like an extended R&D workbench.

This model is ideal for large corporations who have the idea to build, test and introduce a new product offering, component, layer on top of their existing products. Our customers can leverage the speed of our support team, our expertise and experience in emerging technologies, and quickly build a POC which can be demonstrated.

While our customers are engaged with their prospects, interact with the market and get the feedback, the extended R&D team at Edvenswa will work in parallel, preparing for the next sprint.

This engagement model can be extremely dynamic and helpful to go-to-market in the shortest time before the large corporates can out on their team.

Our Solutions

- **Data Management & Integration**

At Edvenswa, our teams are experienced in data management for enterprise integration requirements. From traditional RDBMS systems to non-relational databases, our teams can assist enterprise application development in database design, ETL, and data warehousing areas.

Our resources have expertise in modern stack of front-end technologies, programming languages and frameworks to provide the entire range of UI/UX services – right from requirements analysis, wireframing to development of interactive and responsive UI with visuals.

Databases

- Oracle
- SQL Server
- DB2
- MongoDB

ETLs

- Ab Initio
- Informatica
- DataStage
- Oracle Data Integrator
- Microsoft SSIS
- Talend

DWH Appliances

- SAP HANA
- Teradata
- Amazon Web Services
- Oracle 12c

Our data skills include extraction and integration of both structured and unstructured data from a wide variety of data sources – legacy applications, ERP systems, CRMs, HRMs, healthcare databases – CRFs, EHR/EMRs systems, social media sites and web.

- **Application Integration**

With the explosive growth of enterprise and applications, the complexity of the application landscape has grown manifold rapidly, making integration a challenging techno-functional task.

Our application solutions teams, having worked on heterogeneous enterprise IT landscape, bring to the fore a multi-disciplinary perspective in designing and implementing application integration projects. Our solutions ensure that the cost of integration maintained at the lowest while meeting the global standards.

Our resources are experienced and capable of handling embedded SQL, XML and messaging based middleware, Web services/SOA level integration using SOAP/REST/JSON specifications.

- **Mobile Application Development & Integration**

With the frequent and periodic introduction of new OS's for mobiles, any enterprise with mobile application offering need to constantly update and upgrade their applications to new mobile environment and technologies.

Our solutions range from development of a high-quality application that can be ported on different platforms. Native platforms such as iOS, Android and Microsoft Windows phones as well as cross-platform such as Ionic and Xamarin.

Our mobile solutions include

- Front-end, UI/UX development
- Back-end integration via services

- **Internet of Things (IoT)**

At Edvenswa, we truly believe that IoT is at the heart of the evolution of machine. With the convergence of physical and digital systems, the world is seamlessly highly connected. IoT is fast spreading into every sphere of life.

- Smart Health
- Smart Infrastructure
- Smart Cities
- Smart Energy
- Smart Buildings

We are fast in connecting the devices to the IT systems. Be it sensors in an industrial set up, meters in the energy industry, or wearables for healthcare, we have demonstrated the power IoT in dynamic and real-time monitoring of operations and assets, to deliver a very high ROI to the business owners. We deploy the big data, analytics layers on the data retrieved from the devices to derive real-time value in the business.

IoT enabled security management system generates timesheets for security guards and personnel, by timestamping the instance of face recognition at the office location.

- **Learning Management**

Learning is continuous. Whether a start-up or a large corporate, all of us will need to be on the learning path all the time.

With the explosive growth and applications of technologies, digital platforms, learning management has become ubiquitous. At Edvenswa, we help enterprises in empowering trainers, delivering content and enabling the learners.

Our Learning Management System can serve educational institutions and corporations alike. Extended enterprise online training is the key application of the system. Using this, Companies can not only meet the training needs of their employees but also reach out to the external sales channels, franchisees, and even customers.

Our Learning Management Solutions cater to different roles in the learning cycles – instructor/trainer, administrator, human resource managers and the trainees, having the following features:

- Content Authoring
- Content Hosting and Management
- Online Training
- Conducting Quizzes, tests

- **Big Data, Analytics & Data Science**

We at Edvenswa, provide Big data, analytics and data science solutions to various industries that require handling a very large set of data to get business insights and do predictive analytics.

We can handle large and varied data sets -- i.e., big data -- to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information that can help organizations make more-informed business decisions.

Data Management: Extraction, Processing, Integration and Exploration of data from social media, Enterprise systems, Mobile and Streaming data.

Analytics: Modeling and Predictions combining statistical tools and methods with Natural Language Processing (NLP) with predictive algorithms; applying both supervised and unsupervised learning.

Visualization: Charting and Dashboards.

Our data skills include extraction and integration of both structured and unstructured data from a wide variety of data sources – Legacy applications, ERP systems, CRMs, HRMs, Healthcare databases – CRFs, EHR/EMRs systems, social media sites and web.

- **Robotic Process Automation (RPA)**

Edvenswa provides Robotic Process Automation (RPA) solutions, involving configuration of a “robot” to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses and communicating with other digital systems.

RPA is fast emerging as the superior solution for increasing the efficiency of the business process by way of automating the processes and workflow. Across industries, business processes can be automated using RPA technologies – in banking & financial services, insurance, healthcare, retail, e-commerce, supply chain and logistics etc.,

With this evolution in enterprise business process management, we expect the large, medium-sized enterprises to deploy the RPA technologies to speed up their responsiveness to the customers. RPA will enable organizations to extend the already implemented ERP systems to their customers directly, by having automating certain customer-end processes with the ERP and back-end systems.

We can deploy RPA solutions in

- Order to Cash Management
- IT Support & Management
- Claim Processing
- CRM
- Digital & Online Marketing
- Logistics & Transportation Assistance

RPA UiPath development services:

Edvenswa has experience in designing and developing UI Path solutions for various client across different verticals. We have helped out our clients to identify the processes and automate them using UI path. In the process, we have enabled our clients to scale their business operations and achieve maximum efficiency. Following are our RPA Tool UiPath Development Services.

Process Evaluation: We help our clients to identify automation candidates from their processes and systems and create end-to-end process visualization and work with them to build process maps. We provide data driven insights to prioritize automation ideas and assess the automation suitability.

Task Evaluation: We have used UiPath task mining to build a process map, understanding the existing manual process in detail. We perform scientific data analysis using UiPath task mining to come up with a Robotic Process Automation score for each task and generate useful reporting data.

Development: We have developed numerous automation solutions using UI Path. Some of our key solutions developed include Image and Text automation, creation of RPA bots and integrations with analytics engine to generate reports.

- **Intelligent Agents (ML/AI based)**

We build Intelligent Agents that assist enterprises in business process automation and workflow automation. We build interactive agents that can make human-like, contextual conversation via auditory or textual methods, applying Machine Learning (ML) techniques and Artificial Intelligence (AI) Improving from traditional question and answer solutions, we are making Bots that can be used for direct communication with your customers or prospects.

Our solutions extend to innovative and intelligent process management

- Patient workflow management in healthcare
- Digital Assistant that helps CFOs, Finance & Accounts Executives in information retrieval, reporting and decision making.
- Automation of customer support for queries, order tracking, inventory status etc., in Cold Storage and Warehouses Management Systems
- Enterprise Assistant (EA) to assist users in performing their corporate functions
- Personal Assistant (PA) for managing appointments, schedules and contacts
- Travel Management: To provide direct access to the pricing information and bring up suitable travel options to the user
- Online Sales: Navigating through the outfit choices of the prospective buyers

FINANCIAL HIGHLIGHTS:

Financial highlights of our company as per Restated Financial information is as under:

₹ in lakhs

| Particulars | Consolidated | | Standalone | | | |
|------------------|--------------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|
| | 30.09.2022 (Limited Review) | 31.03.2022 (Restated) | 30.09.2022 (Limited Review) | 31.03.2022 (Restated) | 31.03.2021 (Restated) | 31.03.2020 (Restated) |
| Total Net Worth | 2148.23 | 1884.36 | 1902.27 | 1884.36 | 181.49 | 188.31 |
| Total Revenue | 2229.57 | 3906.40 | 31.52 | 151.69 | 105.12 | 2.00 |
| EBITDA | 303.54 | 416.88 | 15.80 | 137.10 | (6.81) | (8.96) |
| Profit After Tax | 261.76 | 373.46 | 15.80 | 127.87 | (6.81) | (8.96) |

OUR COMPETITIVE STRENGTHS:

Experienced Promoters and Management Expertise

Our Company is currently promoted by Mr. Sreenivasa Sreekanth Uppuluri and Mr. Yerradoddi Ramesh Reddy who individually has more than 25+ years of experience. Having gained experience from working with multiple IT Products and Services companies globally, Mr. Uppuluri ideated the acquisition of Edvenswa Tech Inc. USA in 2022. He was aided by Mr. Yerradoddi Ramesh Reddy who has vast experience in finance and business management domains. Further, our board of directors are supported by a team of well experienced and highly qualified personnel. We believe that our management team's experience and their understanding of the IT industry, specifically in the Software services and products industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business.

Long Business Experience and Established Network

Our Wholly Owned Subsidiary Edvenswa Tech Inc. USA has been developing products and providing services since a decade. We have long-standing relationships with customers built on our successful execution of prior engagements. Our track record of delivering robust solutions, extensive product development experience, and demonstrated industry and technology expertise has helped us in forging strong relationships with all our major customers and gaining increased

business from them. Our products offerings are very attractive to entrepreneurs and business managers for their internal projects as well as procurement teams.

The Edvenswa Group believes in the policy that high customer retention should be one of its top priorities and we endeavor to derive a significant proportion of our revenue from repeat business.

To further strengthen our relationships and broaden the scope and range of services we provide to existing customers, our senior corporate executives have specific account management and relationship responsibilities. We have established strong relationships with key members of our customers' management teams. These relationships have helped us to understand better our customers' business needs and to enable us to provide effective solutions to meet these needs.

Wide range of services and products offering

We provide a broad range of services to our customers that support their software products and businesses throughout the full business life-cycle. At each stage of the business life-cycle, we offer services designed to address the customers' specific needs as businesses move from different stages of maturity. These offerings are suitable for companies of all sizes. Our services range from software development including UI/UX Design & Development; Rapid Prototyping; Enterprise Application Engineering; Software Quality Assurance; Social/Mobile Application Development; Application Integration, Maintenance & Migration Services; Cloud & DevOps; and Extended R&D Partnering etc. that give new and existing customers a competitive advantage. These projects are innovative with fast changing requirements and comparatively smaller in size. Our services focus, our ability to manage projects, our ability to service customers globally and our offshore delivery model makes our services offering very attractive.

In addition, we have our own product offerings that allow our customers to leverage productivity in various sections of industry like Healthcare & Life Sciences, Supply Chain & Logistics, Banking & Financial Services, Energy, Education and Environment etc. This increases our scope of customers and our ability to cater to a diversified client base.

International Presence

Our Company has presence in USA through our subsidiary i.e. Edvenswa Tech Inc. We also have our overseas business partners giving us presence in various other countries such as the United Kingdom, Mexico, Canada, Germany and Italy in Europe. These locations give us an international presence aiding us in servicing clients in various parts of the globe. As an IT service company, our international presence not only helps us in expanding our client base but also helps us by keeping ourselves in tune with the latest technological advancements world-wide.

Our Company started its international foray in the year 2022. Also, our subsidiary has a large number of clients in USA and we are in the process of targeting various clients in other regions. We believe that we enjoy the confidence of our international customers because of our ability to extend offshore servicing, thereby assuring the customers of timely delivery and quality.

Scalable Business Model

Our business model is order driven, and comprises of optimum utilization of our existing resources, developing linkages with expertise of our development team and achieving consequent customer satisfaction. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale by venturing into different sectors where technologically advanced management is required and also by providing better products and solutions in the sectors that we already have presence in. The business scale generation is basically due to the development of new markets both international and domestic, innovation in the product range and by maintaining the consistent quality of the products and services.

OUR BUSINESS STRATEGY

Increased focus on Specific Industry Sectors

We provide services and solutions catering to various industry sectors such as Healthcare & Life Sciences, Supply Chain & Logistics, Banking & Financial Services, Energy, Education and Environment etc. We now intend to focus specifically on growing this business both organically and inorganically through strategy. Investments and alliances. Our Company has evaluated that these sectors have immense growth potential considering the wide scope of each segment in these sectors.

We are catering to various companies in these sectors and our current products, solutions and services are being customized for use in these sectors.

Expand our Current Business Relationships

Our goal is to build long-term sustainable business relationships with our customers to generate increasing revenues. We plan to continue to expand the scope and range of services provided to our existing customers by continuing to build our expertise in major industries and extending our capabilities into new and emerging technologies. In addition, we intend to continue to develop better solutions and new products for industry sectors which are significantly untapped. We will also seek to support a greater portion of the full product development life-cycle of our customers by offering targeted services for each phase of the software product life cycle. We also plan to assist our customers as they deploy their products to end-users through consulting and professional services that we offer onsite. In addition, we intend to continue to build relationships with various regional companies as business partners which can provide us with better benefit by introducing local clients.

Growing our business through intellectual property capabilities

We regularly focus on the main areas of innovation like process innovation and domain specific innovation. Our efforts have resulted in the development of value-added products and services including Software Solutions and other technology-based components. We will continue to invest in intellectual property, either to build and offer systems that establish our credibility and technical expertise in new areas or to better develop, perfect and implement our existing offerings. We also will continue to monetize our investment in intellectual property by charging a premium for our services or by licensing our proprietary software solutions to our customers. We will seek further growth by leveraging our software development capabilities through designing, developing and marketing proprietary niche software solutions in various international markets.

Partnering with global IT players for geographical growth

We will continue to build and leverage relationships across the globe with various IT companies and thus expand our global footprint. The regional companies have in-depth knowledge of the local business requirement and the product life-cycle expectancy and thus we can enter in that market with minimum or no entry barrier. This knowledge of both products and the entire product development culture helps us evolve a deep-rooted product development culture that is aligned with our customers, employees and processes. We regularly engage in discussions and network with our partners to bring each other opportunities and to assist each other to grow our businesses and enrich our respective understandings of the IT products & services industry and technical knowledge. We also intend to continue to facilitate relationships among our customers for the mutual benefit of all parties.

With decade long history of our subsidiary of providing products and solutions globally, we believe that there is great potential for business development in USA region. Since we already have presence and established business partnerships in USA, we intend to tap new markets in the same region.

Focus on efficiency

Our goal is to help our customers with our products and solutions, in turn enabling them to deliver their products more efficiently. We have been building products and solution and providing services to some of our clients for long term. We have innovated and customized software processes that allow us to monitor and plan the progress of software projects. We have well-trained teams, pre-built frameworks and partnerships with other product companies that allow us to integrate product components and deliver products for our customers efficiently. This helps in reducing time to market and reducing the risk of engineering failures.

OUR CLIENT BASE

Our client base constitutes customers of diverse sectors encompassing various industries like Healthcare & Life Sciences, Supply Chain & Logistics, Banking & Financial Services, Energy, Education and Environment etc. Our strategy is to seek new customers and at the same time secure additional engagements from existing customers by providing high quality services and cross-selling new services. Our quality standards, unflinching efforts for punctual order completions and our unmatched overall service have resulted in significant recurring revenue from existing customers and also enabled us to garner clients who are some of the leading banking, financial, healthcare, manufacturing, education and telecommunication names in India and abroad. We believe that our current capabilities and plans for the future ensure that we are well positioned to attract and develop new customer relationships. Business from new customers is accepted upon consideration of factors such as alignment of capabilities and customer expectation, volume of business and future business, potential for close partnership with long-term association, and an analysis of upfront costs.

GEOGRAPHIC CONCENTRATION

At present, the USA region is the single market for us for our software products and services and remains our largest customer concentration. In the past years, we have worked with customers of USA and now concentrating to other regions across the globe. We also are focusing on expanding our talent resourcing area to near shore areas like Mexico.

HUMAN RESOURCES

Our Group believes that our ability to maintain continuous growth depends on our strength in attracting, training, motivating and retaining employees. As of this Letter of Offer, we along with our subsidiary has 29 employees (including those under contractual employment with the Company and our subsidiary as well as our trainees) including over 20 software professionals. Our Group predominantly operate from Chennai & Hyderabad in India and USA, which enables us to recruit technology professionals from different parts of the country and abroad.

PLANT & MACHINERY, TECHNOLOGY, PROCESS, ETC

We do not own any major plant and machinery, nor any patent technology.

UTILITIES & INFRASTRUCTURE FACILITIES

Our Registered Office is located at Plot No. 85, Shop No.1, 4th Street, Ganesh Avenue, Sakthi Nagar, Porur, Chennai – 600116, Tamil Nadu, India

The Corporate Office of the Company is presently situated at Ground Floor, HIG-66, Madhav Nagar, Ramachandrapuram, Hyderabad – 500032, India.



Our Company has one wholly owned subsidiary which Registered office is situated at 300 Colonial Center Parkway, Suite 100N, Roswell, Fulton, Georgia-30040, USA.

Our all the offices are well equipped with all the requisite facilities to run our business smoothly.

INTELLECTUAL PROPERTY DETAILS

We regard our intellectual property as one of the most important factors in contributing to our success, and our intellectual property rights include trademarks associated with our businesses and other rights arising from confidentiality agreements relating to our database and website content and technology.

Our Company conducts its operations under the “EDVENSWA” brand name and using a logo as mentioned in below table.

| Logo | Trademark Type | Owner of Trademark | Class | Application No. | Date of application | Valid Upto | Status |
|---|----------------|---------------------------|-------|-----------------|---------------------|------------|----------------|
|  | | | | | | | Not Registered |
|  | Device | Edvenswa Tech (P) Limited | 43 | 4965622 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 45 | 4966822 | 07/05/2021 | 07/05/2031 | Registered |
| | | | 44 | 4965587 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 41 | 4965576 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 37 | 4965582 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 25 | 4965585 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 28 | 4965618 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 39 | 4965591 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 36 | 4965589 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 35 | 4965590 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 42 | 4965543 | 05/05/2021 | 05/05/2031 | Registered |

| Logo | Trademark Type | Owner of Trademark | Class | Application No. | Date of application | Valid Upto | Status |
|----------|----------------|---------------------------|-------|-----------------|---------------------|------------|------------|
| | | | 12 | 4965583 | 05/05/2021 | 05/05/2031 | Registered |
| Edvenswa | Word | Edvenswa Tech (P) Limited | 43 | 4965621 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 45 | 4966819 | 07/05/2021 | 07/05/2031 | Registered |
| | | | 44 | 4965559 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 41 | 4965545 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 37 | 4965546 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 25 | 4965552 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 28 | 4965617 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 39 | 4965568 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 36 | 4965564 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 35 | 4965566 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 42 | 4965537 | 05/05/2021 | 05/05/2031 | Registered |
| | | | 12 | 4965549 | 05/05/2021 | 05/05/2031 | Registered |

The above trademarks are registered in the name of Edvenswa Tech Private Limited and NOC for Usage of the same has been taken by our Company.

EXISTING CAPACITY AND CAPACITY UTILISATION

Our capacity depends on our workforce and not in any fixed output from plant & machinery and hence capacity and capacity utilization cannot be determined.

INSURANCE POLICIES:

As on date of this Letter of Offer, Our Company does not have any Insurance Policies

COLLABORATIONS

As on date of this Letter of Offer, our Company has not entered into any technical or other Collaborations.

PROPERTY DETAILS

Owned Property: Nil

Rented Property:

| Sl. No. | Details of the Deed/ Agreement | Particulars of the property, description and area | Lease/License Fee/Rent | Tenure/ Term | Usage |
|---------|--|--|---|--------------|-----------------------------|
| 1. | No Objection Certificate dated April 24, 2019 issued from Mrs. Hema Arjunan | Plot No. 85, Shop No.1, 4 th Street, Ganesh Avenue, Sakthi Nagar, Porur, Chennai - 600116, Tamil Nadu, India | ₹ 10,000/- per month | 12 months | Registered Office |
| 2. | Memorandum of Understanding dated December 01, 2022 between Edvenswa Tech Private Limited (Lessor) and Edvenswa Enterprises Limited (Lessee) | Cyber Towers 1st Floor, Q3-A2, Hitech City Rd, Madhapur, Telangana 500081, India Fully furnished and fitted out office premises | ₹ 1,50,000/- per month plus maintenance and utilities to be paid at actuals | 5 years | Proposed Registered Office* |
| 3 | No Objection Certificate received from Mr. Ravi Kumar Rao | Ground Floor, HIG-66, Madhav Nagar, Ramachandrapuram, Hyderabad – 500032, India | N.A. | N.A. | Corporate Office |

* The shareholders of the Company at their Annual General Meeting dated September 27, 2022 have passed resolution for change of registered office from Tamil Nadu to Telangana.

EXPORT AND EXPORT OBLIGATIONS

Our Export sales for the last 3 financial years are as mentioned below:

₹ in lakhs

| Particulars | 30-09-2022 | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|------------------|------------|------------|------------|------------|
| Export Sales | 31.52 | 50.24 | - | - |
| % of Total Sales | 100.00% | 100.00% | - | - |

SALES & MARKETING

Our company possesses the right mix of talented resource in the areas of sales and marketing which effectively caters to our customers and as a policy we continue to invest in our people who are the link to our customer base both existing as well as newer customers. Our Company operates from India and through its subsidiary from USA and our success lies in the strength of our relationship with the clients who have been associated with our Company. Our effective team both at the fore-front as well as in the back-end ensures the delivery and benefits of the best standards set by the company which ultimately reaches the customers with a satisfaction. This approach not only ensures retention but also assist us in getting newer set of clientele which goes to add to the revenue and credentials of our Company.

COMPETITION

The market for IT Products and Services is both, highly competitive and rapidly evolving. It has evolved into a consolidated global industry and we face competition both in the domestic as well as the export markets. We primarily face competition from the small and large Indian IT services companies as well as international technology services companies which offer broad-based services, offshore captive centres of global corporations and technology firms. We anticipate this competition to continue to grow as the demand for these services increases and we also expect additional companies to enter the Indian market. We expect that further competition will increase and potentially include firms in countries with lower personnel costs than those prevailing in India. Further, Clients that presently outsource a significant proportion of their IT service requirements to vendors in India may seek to reduce their dependence on one country and outsource work to other offshore destinations. Also, many countries have the advantage of being located in proximity to our main export markets of American and European countries. We also face competition from other countries mainly in US and European countries that have advanced technology and ability to cater to large scale businesses in different parts of the world. We have a number of competitors offering products and services similar to us. We believe the principal elements of competition in IT industry are price, timely delivery and reliability and most importantly our pace in keeping up with the required changing technology in the industry. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in many of our products.

OUR MANAGEMENT

A) Board of Directors

As per the Articles of Association, our Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) Directors. Our Company currently has 5 (five) directors on its Board. The present composition of our Board of Directors and its committees are in accordance with the requirements provided under the Companies Act, 2013. The detailed composition are as follows:

| Sl. No. | Name of the Director | DIN | Designation |
|---------|----------------------------------|----------|--------------------------------|
| 1 | Mr. Sreenivasa Srekanth Uppuluri | 01275332 | Chairman and Managing Director |
| 2 | Mr. Yerradoddi Ramesh Reddy | 01483626 | Whole time Director |
| 3 | Mr. Garimella Jayachand | 03053175 | Independent Director |
| 4 | Ms. Srivani Nandiraju | 09556758 | Independent Director |
| 5 | Mr. Ravikanth Andhavarapu | 08096853 | Independent Director |

The following table sets forth details regarding the Board of Directors as on the date of this Letter of Offer:

| Sl. No. | Particulars | Details |
|---------------------------------|---|---|
| 1 | Name of the Director | Mr. Sreenivasa Srekanth Uppuluri |
| | Father's Name | Mr. Krishna Murthy Uppuluri |
| | Residential Address (India) | 1-36/13, Manju Anurag Enclave, Madhusudan Nagar, Malkajgiri, Hyderabad - 500047, Telangana, India |
| | Residential Address (USA) | 468, Trebbiano PL, Pleasanton, CA 94566, USA |
| | Date of Birth | 28-05-1976 |
| | Age | 46 Years |
| | Designation | Chairman and Managing Director |
| | DIN | 01275332 |
| | Occupation | Business |
| | Date of expiration of current term | 26-09-2027 |
| | Nationality | United States of America Overseas Citizen of India Card Holder |
| | Qualification | Bachelor of Engineering from National Institute of Technology, Jamshedpur |
| | No. of Years of Experience | 25 years |
| | Date of Appointment | 26-05-2022 |
| Period of Directorship | For 5 years w.e.f., 27-09-2022 | |
| Directorship in other companies | 1. Edvenswa Pharmaceuticals Private Limited 2. Edvenswa Consultancy Services Private Limited | |

| Sl. No. | Particulars | Details |
|---------------------------------|---|---|
| 2 | Name of the Director | Mr. Yerradoddi Ramesh Reddy |
| | Father's Name | Mr. Yerradoddi Nagachenchu Reddy |
| | Residential Address | F. No. 902, Block 2 Hill Ridge Springs, Gachibowli, Hyderabad - 500032, Telangana, India |
| | Date of Birth | 24-10-1966 |
| | Age | 56 Years |
| | Designation | Whole-time Director |
| | DIN | 01483626 |
| | Occupation | Business |
| | Date of expiration of current term | 26-09-2027 |
| | Nationality | Indian |
| | Qualification | Bachelor of Technology in Chemical Engineering from the Indian Institute of Technology (IIT), Madras and Post Graduate Diploma in Business Management from XLRI, Jamshedpur |
| | No. of Years of Experience | More than 20 years |
| | Date of Appointment | 26-05-2022 |
| | Period of Directorship | For 5 years w.e.f., 27-09-2022 |
| Directorship in other companies | 1. Triton Aqua Tech Private Limited (Strike Off) 2. Ybrant Digital Limited (amalgamated) | |

| Sl. No. | Particulars | Details |
|---------------------------------|------------------------------------|---|
| 3 | Name of the Director | Mr. Garimella Jayachand |
| | Father's Name | Mr. Garimella Nageswara Rao |
| | Residential Address | Flat No. 101, Plot No. 14/P, Veda Nivas, Tulasi Nagar, Near HMT Hills Ramalayam, JNTU, Kukatpally, Tirumalagiri, Hyderabad - 500085, Telangana, India |
| | Date of Birth | 24-07-1975 |
| | Age | 47 Years |
| | Designation | Independent Director |
| | DIN | 03053175 |
| | Occupation | Business |
| | Date of expiration of current term | 25-05-2027 |
| | Nationality | India |
| | Qualification | Bachelor of Engineering |
| | No. of Years of Experience | 16 Years |
| | Date of Appointment | 26-05-2022 |
| Period of Directorship | For 5 years w.e.f 26-05-2022 | |
| Directorship in other companies | 1. Edvenswa EPC Private Limited | |

| Sl. No. | Particulars | Details |
|---------------------------------|------------------------------------|---|
| 4 | Name of the Director | Ms. Srivani Nandiraju |
| | Father's Name | Mr. Srikanth Nandiraju |
| | Residential Address (India) | 10-5-777/3, Plot No-145, Street No-6, Thukaramgate, Secunderabad - 500003, Telangana, India |
| | Residential Address (USA) | 171, Wenatchee CMN, Fremont, CA 94539, USA |
| | Date of Birth | 19-03-1977 |
| | Age | 45 Years |
| | Designation | Independent Director |
| | DIN | 09556758 |
| | Occupation | Housewife |
| | Date of expiration of current term | 25-05-2027 |
| | Nationality | United States of America Overseas Citizen Of India Card Holder |
| | Qualification | Master of Business Administration (MBA) |
| | No. of Years of Experience | 3 Years |
| | Date of Appointment | 26-05-2022 |
| Period of Directorship | For 5 years w.e.f. 26-05-2022 | |
| Directorship in other companies | Nil | |

| Sl. No. | Particulars | Details |
|---------------------------------|---|--|
| 5 | Name of the Director | Mr. Ravikanth Andhavarapu |
| | Father's Name | Mr. Kasi Viswanadham Andhavarapu |
| | Residential Address | 301, Sri Sai Balaji Residency, Gokul Plots, KPHB Phase 9, Hyderabad, Telangana – 500072, India |
| | Date of Birth | 22-05-1988 |
| | Age | 34 Years |
| | Designation | Independent Director |
| | DIN | 08096853 |
| | Occupation | Business |
| | Date of expiration of current term | 25-05-2027 |
| | Nationality | India |
| | Qualification | Graduate from the Indian Institute of Technology (IIT), Madras |
| | No. of Years of Experience | More than 10 years |
| | Date of Appointment | 26-05-2022 |
| | Period of Directorship | For 5 years w.e.f. 26-05-2022 |
| Directorship in other companies | 1. Biliti Electric India Private Limited 2. Ranky Singularity Tech Private Limited | |

| | | |
|--|--|---------------------------------|
| | | 3. Zagg Network Private Limited |
| | | 4. Kuteeram Life LLP |

Brief Biographies of the Directors

1. **Mr. Sreenivasa Sreekanth Uppuluri**, aged about 46 years, is a Promoter, Executive Chairman and Managing Director of our Company. He is a Graduate in Bachelor of Science (Engineering) from the Regional Institute of Technology, Jamshedpur (currently known as National Institute of Technology, Jamshedpur). He has more than two decades of experience in the field of Software Project Management and Solution Architecture. He is a co-founder of Virinchi Limited, Edvenswa Consultancy Services and Edvenswa Tech Private Limited. He was also a Principal Incubation lead at the business Innovation centre. He is a Co-Founder and Vice President of Lucid Act Health and Incub 8 ventures. Being a Managing Director Mr. Uppuluri plays a key role in the overall management of the business affairs of the Company.

He is holding the Certificate of Registration as an Overseas Citizen Of India Card Holder under the provisions of Section 7A of Citizenship Act, 1955 issued by Consulate General of India, San Francisco, USA.

2. **Mr. Yerradoddi Ramesh Reddy**, aged about 56 Years, is a Promoter and Whole time Director of our company. He is a Graduate in B. Tech from IIT Madras and Post Graduate Diploma in Business Management from XLRI, Jamshedpur. Mr. Y. Ramesh Reddy has more than 2 decades of experience in field of business Strategy, Merger and acquisition, Business development, IPO and Investor relations, finance management and HR team building etc. He was Software engineer in PSI Data Systems and a software consultant in Massachusetts Department of transitional Assistance and Lockheed Martin United States.

3. **Mr. Garimella Jayachand**, aged about 47 years, is the Independent Director of our Company. He is Graduate in B.Tech Civil, REC Jamshedpur, Ranchi University. He has more than 16 years of experience in the IT industry. His area of expertise includes technologies like Agile, scrum, Java, Micro services, As/400.

4. **Ms. Srivani Nandiraju**, aged about 45 years, is an Independent Director of our Company. She has Master's Degree in Business Administration with significant executive leadership accomplishments in business, philanthropy, and the nonprofit sector. Her dedication, communication and intervention skills help her to achieve great heights in the Career.

She is holding the Certificate of Registration as an Overseas Citizen Of India Card Holder under the provisions of Section 7A of Citizenship Act, 1955 issued by Consulate General of India, San Francisco, USA.

5. **Mr. Ravikanth Andhavarapu**, aged about 34 years, is an Independent Director of our company. He is a Graduate from Indian Institute of Technology, Madras. He possesses over 10 years of experience in IT Sector. He was Project lead for aerial Vehicle built in IIT Madras. He started his Aeromodelling Club. He was Team Leader for the first team of IIT Madras which participated in the International Aerial Robotics. Currently, along with being associated with our Company, he is Head of Strategy in Biliti Electric India Private Limited.

Family Relationships between the Directors

None of the directors of our Company have family relationships.

Past Directorships in listed companies: -

- a) **Details of current and past directorship(s) for a period of five years in listed companies for each Director mentioned above, whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure:**

None of our Directors are, or were a director of any listed company other than the issuer company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last five years preceding the date of this Letter of Offer.

- b) **Details of current and past directorship(s) in listed companies for each Director mentioned above, who have been/were delisted from the stock exchange(s) during his/her tenure in the past five years:**

None of our Directors are or were a director of any listed company other than the issuer company, which has been, or was delisted from any stock exchange during the term of their directorship in such company during the last five years preceding the date of this Letter of Offer.

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a director or member of a senior management as on the date of this Letter of Offer.

Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

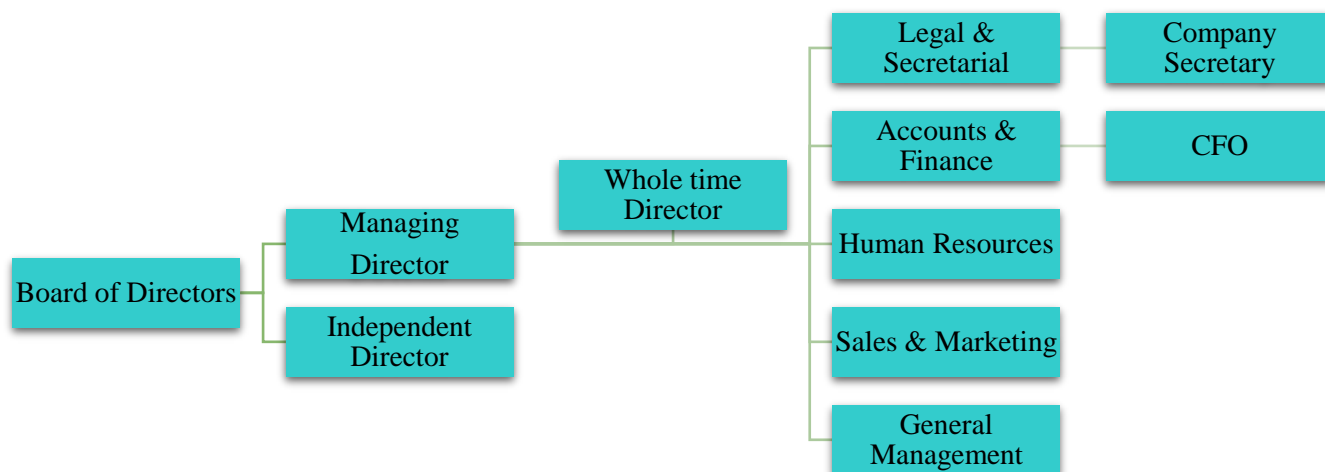
Director's association with the Securities Market

None of the Directors of our Company are associated with the securities market.

Other Confirmations:

- None of our Directors are on the RBI List of wilful defaulters or fraudulent borrowers as on the date of this Letter of Offer.
- None of our Promoters or Directors of our Company are a fugitive economic offender.
- None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

MANAGEMENT ORGANIZATIONAL STRUCTURE



B) Corporate Governance

In terms of Regulation 15(2) of the SEBI Listing Regulations, compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Listing Regulations shall not apply, in respect of listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year:

Provided that where the provisions of regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V become applicable to a listed entity at a later date, it shall ensure compliance with the same within six months from such date.

Provided further that once the above regulations become applicable to a listed entity, they shall continue to remain applicable till such time the equity share capital or the net-worth of such entity reduces and remains below the specified threshold for a period of three consecutive financial years.

As per restated standalone financial statements, the paid up equity share capital is less than rupees ten crore and net-worth of our Company is less than rupees twenty five crore, respectively as on March 31, 2022. Hence, as per Regulation 15(2) of the SEBI Listing Regulations, compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Listing Regulations is not applicable to us. Furthermore, we undertake to ensure compliance with the same within six months of the date on which it becomes applicable to us.

Our Board has been constituted in compliance with the Companies Act, 2013. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act, our Board of Directors consists of 5 (Five) Directors (including one-woman Director) out of which there is one Managing Director, one Whole time Director, and three Independent Directors including one woman director.

COMMITTEES OF OUR BOARD

Our Board has constituted the following committees in accordance with the requirements of the Companies Act, 2013:

○ **Audit Committee**

As per section 177 of the Companies Act, 2013, the Board of Directors of every listed public company and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee. The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority: Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement.

Our current Audit Committee was constituted pursuant to a circular resolution of our Board of Directors dated October 03, 2022. Currently, the Audit Committee comprises of:

| Name of Director | Status in Committee | Nature of Directorship |
|-----------------------------|----------------------------|-------------------------------|
| Mr. Ravikanth Andhavarapu | Chairman | Independent Director |
| Mr. Garimella Jayachand | Member | Independent Director |
| Mr. Yerradoddi Ramesh Reddy | Member | Whole time Director |

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013.

- A. **Powers of Audit Committee:** The Audit Committee shall have powers, including the following:
- To investigate any activity within its terms of reference;
 - To seek information from any employee;
 - To obtain outside legal or other professional advice; and
 - To secure attendance of outsiders with relevant expertise, if it considers necessary.
- B. **Role of Audit Committee:** The role of the Audit Committee shall include the following:
- 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:
 - 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;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;

- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the draft 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 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;
- 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.
- monitoring the end use of funds raised through public offers and related matters.
- carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: (a) half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilized for purposes other than those stated in the prospectus/notice in terms of Regulation 32(5) SEBI Listing Regulations.

○ **Stakeholders' Relationship Committee**

As per section 178 (5) of the Companies Act, 2013, The Board of Directors of a Company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board.

Our current Stakeholders' Relationship Committee was constituted pursuant to a circular resolution of our Board of Directors dated October 03, 2022. Currently, the Stakeholders' Relationship Committee comprises of:

| Name of Director | Status in Committee | Nature of Directorship |
|-----------------------------|---------------------|------------------------|
| Mr. Ravikanth Andhavarapu | Chairman | Independent Director |
| Mr. Garimella Jayachand | Member | Independent Director |
| Mr. Yerradoddi Ramesh Reddy | Member | Whole time Director |

The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

Role of the Stakeholders Relationship Committee

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for 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; and
- To carry out any other function as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.”

○ **Nomination and Remuneration Committee**

As per section 178 (1) of the Companies Act, 2013, The Board of Directors of every listed public company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors: Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

Our current Nomination and Remuneration Committee was constituted pursuant to a circular resolution of our Board of Directors dated October 03, 2022. Currently, the Nomination and Remuneration Committee comprises of:

| Name of Director | Status in Committee | Nature of Directorship |
|-----------------------------------|---------------------|--------------------------------|
| Mr. Garimella Jayachand | Chairman | Independent Director |
| Ms. Srivani Nandiraju | Member | Independent Director |
| Mr. Sreenivasa Sreekanth Uppuluri | Member | Chairman and Managing Director |

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

Role of the Nomination and Remuneration Committee

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Set forth below are the role of our Nomination and Remuneration Committee.

- 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.
 - 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.
 - The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
 - The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- **Corporate Social Responsibility Committee:**

As per section 135(1) of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The Corporate Social Responsibility committee is not applicable to our company till the date of this Letter of Offer. We will comply with the requirement as and when the CSR is applicable to us.

Our Key Managerial Personnel

The details of the Key Managerial Personnel as on the date of this Letter of Offer are set out below. All the Key Managerial Personnel are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

1. **Mr. Sreenivasa Sreekanth Uppuluri**, Managing Director, for details please refer section titled *“Our Management”* beginning at page no. 80 of this Letter of Offer.
2. **Mr. Yerradoddi Ramesh Reddy**, Whole time Director, for details please refer section titled *“Our Management”* beginning at page no. 80 of this Letter of Offer.
3. **Mr. Krishna Murthy Uppuluri**, aged about 71 Years, is the Chief Financial Officer of our Company. He has been associated with our Company with effect from September 05, 2022. He holds a degree of Master of Science from Nagpur University. He has worked in a Public Sector Bank since 1978 and Retired as Officer, Middle Management, in the year 2011. He possess experience in Audit, Inspection & Vigilance Departments.
4. **Mrs. Hima Bindu Dulipala**, aged about 39 Years. She has been associated with our Company as Company Secretary and Compliance officer with effect from November 05, 2022. She has been appointed to handle all the secretarial and legal compliance for the Company.

Status of Key Management Personnel in our Company

Except for those who are holding directorship in our Company, all our key managerial personnel are permanent employees of our Company.

Shareholding of Key Management Personnel in our Company

None of the other Key Management Personnel hold Equity Shares in our Company as on the date of this Letter of Offer except as mentioned below:

| Name of the KMP | Status in our Company | No. of shares held in our Company |
|-----------------------------------|--------------------------------|--|
| Mr. Sreenivasa Sreekanth Uppuluri | Chairman and Managing Director | 60,00,000 |
| Mr. Yerradoddi Ramesh Reddy | Whole time Director | 4,30,000 |

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit-sharing plan for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel of our Company.

Interests of Key Management Personnel

Except as mentioned above in this Letter of Offer, the Key Management Personnel do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of their shareholding in our Company.

Payment of Benefits to Officers of our Company (non-salary related)

Except as disclosed in this Letter of Offer and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled "**Financial Information**" beginning on page no 92 of this Letter of Offer, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoter.

Relationship amongst the Key Managerial Personnel of our Company

Mr. Uppuluri Krishna Murthy, Chief Financial Officer is the father of Mr. Sreenivasa Sreekanth Uppuluri, Promoter and Managing Director.

Except as mentioned above, there is no family relationship amongst the Key Managerial Personnel of our Company except as mentioned hereinunder:

Relationship between the Directors and Key Managerial Personnel

There are no family relationships between the Directors and Key Managerial Personnel of our Company other than those mentioned elsewhere in this Letter of Offer.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Employee Stock Option or Employee Stock Purchase

Our Company, pursuant to a special resolution dated September 27, 2022 passed by our members, approved the "**ESOP Plan 2022**" for eligible employees of our Company and our Subsidiary (Edvenswa Tech Inc.) with a limit to grant up to such number of options which would give rise to the issue of not more than 10,00,000 Equity Shares of the face value of ₹10/- each. No grants have been made under **ESOP Plan 2022** as at the date of this Letter of Offer.

Loans availed by Directors / Key Managerial Personnel of our Company


None of the Directors or Key Managerial Personnel have availed loan from our Company which is outstanding as on the date of this Letter of Offer.

OUR PROMOTERS


1. Our Promoters:

Our Promoters are (i) Mr. Sreenivasa Sreekanth Uppuluri and (ii) Mr. Yerradoddi Ramesh Reddy. As on the date of this Letter of Offer, our Promoters jointly hold 64,30,000 Equity Shares which in aggregate, almost constitutes 70.81% of the paid-up Equity Share capital of our Company.

(i) Details of Individual Promoters of our Company

| | |
|---|---|
|  | <p>Mr. Sreenivasa Sreekanth Uppuluri, aged 46 years, is the Promoter, Chairman and Managing Director of our Company. For further personal details, please also refer to section titled “<i>Our Management</i>” beginning on page 80 of this Letter of Offer.</p> |
| Name of Promoter | Sreenivasa Sreekanth Uppuluri |
| Father’s Name | Krishna Murthy Uppuluri |
| Date of Birth | 28-05-1976 |
| Qualification | Bachelor of Engineering from National Institute of Technology, Jamshedpur |
| Occupation | Business |
| Nationality | United States of America* Overseas Citizen of India Card Holder |
| Residential Address (India) | 1-36/13, Manju Anurag Enclave, Madhusudan Nagar, Malkajgiri, Hyderabad - 500047, Telangana, India |
| Residential Address (USA) | 468, Trebbiano PL, Pleasanton, CA 94566, USA |
| Permanent Account No. | ACMPS0854L |

* He is holding the Certificate of Registration as an Overseas Citizen of India Card Holder under the provisions of Section 7A of Citizenship Act, 1955 issued by Consulate General of India, San Francisco, USA

| | |
|---|---|
|  | <p>Mr. Yerradoddi Ramesh Reddy, aged 56 years, is the Promoter and Whole time Director of our Company. For further personal details, please also refer to section titled “Our Management” beginning on page 80 of this Letter of Offer.</p> |
| Name of Promoter | Yerradoddi Ramesh Reddy |
| Father’s Name | Yerradoddi Nagachenchu Reddy |
| Date of Birth | 24-10-1966 |
| Qualification | Bachelor of Technology in Chemical Engineering from the Indian Institute of Technology (IIT), Madras and Post Graduate Diploma in Business Management from XLRI, Jamshedpur |
| Occupation | Business |
| Nationality | Indian |
| Address | F. No. 902, Block 2 Hill Ridge Springs, Gachibowli, Hyderabad - 500032, Telangana, India |
| Permanent Account No. | AAHPY4543K |

Note: Our Company has reclassified Mr. V. Lava Kumar, Ms. Devi Lava Kumar and Mr. Karthik from Promoter and Promoter Group to Public Category vide Resolution dated September 27, 2022.

(ii) Details of Body Corporate Promoters of our Company:

We don’t have any Body Corporate Promoters.

DIVIDEND POLICY

Our Company does not have any formal dividend policy for the equity shares. Our Company can pay Final dividends upon a recommendation by Board of Directors and approval by majority of the members at the Annual General Meeting subject to the provisions of the Articles of Association and the Companies Act, 2013. The Members of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to Board of Directors to declare and pay interim dividends.

The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. The declaration and payment of dividend will depend on a number of factors, including but not limited to the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions, contractual obligations and restrictions, restrictive covenants under the loan and other financing arrangements to finance the various projects of our Company and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares for the period covered in Restatement of Accounts as per our Restated Financial Statements.

SECTION VII: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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| 3 | Restated Standalone Financial Statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 | 105-133 |
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1. Unaudited Limited Reviewed Standalone Financial Statements for the quarter and six months periods ended September 30, 2022



ANANT RAO & MALLIK
Chartered Accountants

B-409 / 410, Kushal Towers, Khairatabad, Hyderabad-500004.

Phone : 040-23320286

E-mail : armcas@gmail.com

November 14, 2022

LIMITED REVIEW REPORT

To
The Board of Directors,
KLK ELECTRICAL LIMITED

1. We have reviewed the accompanying statement of Unaudited **Standalone** Financial results of **KLK ELECTRICAL LIMITED** (the "Company") for the Quarter ended 30th September, 2022 (the "Statement"), being submitted by the company pursuant to the requirements of Regulation 52(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The preparation and fair presentation of this statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the company. Our responsibility is to issue a report on statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable Accounting Standards i.e., Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52(1) 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 ANANT RAO & MALLIK
Chartered Accountants
Firm Regn. No. 006266S



V. ANANT RAO
Partner
Membership No. 022644



UDIN : 22022644BDBFRN6938

KLK ELECTRICAL LIMITED
Plot No.85, 4th Street , Ganesh Avenue Shakthi Nagar, Chennai 600 116

STANDALONE BALANCE SHEET AS AT 30-09-2022

| Particulars | 30-09-2022 | 31-03-2022 |
|-------------------------------------|-----------------|-----------------|
| | Rs. (Lacs) | Rs. (Lacs) |
| ASSETS | | |
| 1. Non Current Assets : | | |
| a) Property, Plant and Equipment | - | - |
| b) Other Intangible Assets | 55.63 | 55.63 |
| c) Financial Assets : | - | - |
| i) Investments | 1,505.35 | 1,505.35 |
| | - | - |
| 2. Current Assets : | - | - |
| a) Financial Assets : | - | - |
| i) Trade Receivables | 159.16 | 162.31 |
| ii) Cash and Cash Equivalents | 1.08 | 75.12 |
| iii) Loans & Advances | 208.37 | 114.37 |
| | - | - |
| TOTAL | 1,929.58 | 1,912.78 |
| EQUITY AND LIABILITIES | - | - |
| | - | - |
| | - | - |
| EQUITY : | - | - |
| a) Equity Share Capital | 865.00 | 865.00 |
| b) Other Equity | 962.27 | 946.47 |
| c) Share Warrants Application Money | 75.00 | 75.00 |
| | - | - |
| LIABILITIES : | - | - |
| 1. Non Current Liabilities : | - | - |
| a) Financial Liabilities : | - | - |
| | - | - |
| 2. Current Liabilities : | - | - |
| a) Loans And Advances Received | 4.65 | 3.64 |
| b) Other Current Liabilities | 15.54 | 15.54 |
| c) Short Term Provisions | 7.13 | 7.13 |
| TOTAL | 1,929.58 | 1,912.78 |



KLK ELECTRICAL LIMITED
 Plot No. 85, 4th Street, Ganesh Avenue, Shakthi Nagar, Chennai 600 116

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30-09-2022

| Particulars | | April - Sept 2022 | 2021-22 |
|-------------|---|-------------------|------------|
| | | Rs. (Lacs) | Rs. (Lacs) |
| | INCOME : | | |
| I | Revenue from Operations | 31.52 | 50.24 |
| II | Other Income | - | 101.46 |
| III | Total Revenue (I + II) | | |
| | EXPENDITURE : | | |
| | a) Cost of Inputs | - | - |
| | b) Employees Benefits Expenses | 5.01 | 3.65 |
| | c) Other Expenses | 10.71 | 10.94 |
| | Total Expenses | | |
| V | PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX | 15.80 | 137.10 |
| VI | Less : Exceptional Items : | | |
| VII | PROFIT BEFORE TAX | 15.80 | 137.10 |
| VIII | Tax Expense : | | |
| | a) Current Tax - Current Year | - | 7.13 |
| | c) Deferred Tax | | |
| IX | PROFIT AFTER TAX (from continuing operations) | 15.80 | 129.98 |
| X | Other Comprehensive Income Items that will not be reclassified to profit or loss | | |
| XII | Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) | 15.80 | 129.98 |
| XI | Earnings Per Share (Rupees) : | | |
| | a) Basic | 0.18 | 1.50 |
| | b) Diluted | 0.18 | 3.45 |




Note: As per the Certificate received from M/s. Anant Rao & Mallik, Chartered Accountants dated January 19, 2023, the diluted earnings per share for the half year ended September 30, 2022 stands corrected from 0.18 to 0.16.

KLK ELECTRICAL LIMITED
Standalone Cash Flow Statement for the Period ended 30-09-2022

| | Particulars | Apr - Sept 2022 Rs. (Lacs) | 2021-22 Rs. (Lacs) |
|-----------|---|-------------------------------|-----------------------|
| A. | Cash Flow from Operating Activities | | |
| | Net Profit / (Loss) before Tax | 15.80 | 129.98 |
| | <u>Adjustments for:</u> | | |
| | Depreciation | - | - |
| | Dividend Received | - | (1.20) |
| | Operating Profit before Working Capital Changes | 15.80 | 128.78 |
| | Decrease / (Increase) in Trade Receivables | 3.15 | (74.79) |
| | Increase / (Decrease) in Loans And Advances Received | 1.01 | 3.64 |
| | Increase / (Decrease) in Short Term Provisions | - | 7.13 |
| | Increase / (Decrease) in Other Current Liabilities | - | 3.82 |
| | Cash generated from Operating Activities | 19.96 | 68.58 |
| | Income Tax Paid | - | - |
| | Net Cash Flow from Operating Activities | 19.96 | 68.58 |
| B. | Cash Flow from Investing Activities | | |
| | Acquisition of Fixed Assets | - | - |
| | Changes In Advances | (94.00) | (89.83) |
| | Changes in Investments | - | (1,480.00) |
| | Dividend received | - | 1.20 |
| | Net Cash Flow from Investing Activities | (94.00) | (1,568.63) |
| C. | Cash Flow from Financing Activities | | |
| | Share Warrants Application Money | - | 75.00 |
| | Shares Issued | - | 600.00 |
| | Securities Premium Received | - | 900.00 |
| | Net Cash Flow from Financing Activities | - | 1,575.00 |
| | Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C) | (74.04) | 74.95 |
| | Opening Cash and Cash Equivalents | 75.12 | 0.16 |
| | Closing Cash and Cash Equivalents | 1.08 | 75.12 |

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (Ind As 3) 'Cash Flow Statements' notified by the Central Govt under Companies (Accounting Standards) Rules, 2006.
- Previous year figures have been regrouped / rearranged, wherever necessary to conform to the current period classification.



2. **Unaudited Limited Reviewed Consolidated Financial Statements for the quarter and six months periods ended September 30, 2022**



ANANT RAO & MALLIK
Chartered Accountants

B-409 / 410, Kushal Towers, Khairatabad, Hyderabad-500004.

Phone : 040-23320286

E-mail : armcas@gmail.com

November 14, 2022

LIMITED REVIEW REPORT

To
The Board of Directors,
KLK ELECTRICAL LIMITED

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial results of **KLK ELECTRICAL LIMITED** ("Company") and its subsidiary (together, the "Group") for the quarter ended September 30, 2022 and year to date from April 1, 2022 to September 30, 2022 (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 ("The Regulation").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under section 133 of Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standards 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 Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

4. The Statement Include the results of the entities as given in the Annexure-1 to this report
5. Based on our review conducted as above and on consideration of report of other auditors on the unaudited separate quarterly financial results and on other financial information of the components, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial results prepared in accordance with recognition and measurement principles laid down in applicable Indian Accounting Standards prescribed under section 133 of Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

1



6. We did not review the interim financial results and other financial information of one subsidiary, whose interim financial results reflect Total Assets of Rs. 2,304.89 Lakhs as at June 30, 2022. Total Revenue (including Comprehensive Income) of Rs. 1120.31 Lakhs and Rs. 2,198.05 Lacs and Total Net Profit after Tax of Rs. 136.85 Lacs and Rs. 245.96 Lacs for the quarter ended Sept 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively as considered in the Consolidated Unaudited Financial results. This interim financial result has been reviewed by other auditor, whose report has been furnished to us by the management and our conclusions on the statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on report of the other auditor and procedures performed by us stated above.

Our Conclusion on the Statement is not modified in respect of the above matter.

For **ANANT RAO & MALLIK**

Chartered Accountants

FRN : 006266S



V. ANANT RAO

Partner

M.No. : 022644

UDIN : 22022644BDBGOA9363



Annexure - I to The Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results

Unaudited Consolidated Financial results for Quarter ended 30-09-2022 include results of the following entities :

| Sl.No | Name of the Entity | Status |
|-------|------------------------|-------------------------|
| 1 | Edvenswa Tech Inc, USA | Wholly Owned Subsidiary |





| KLK ELECTRICAL LIMITED | | | | | | |
|---|-------------------|-------------|-------------|--------------|-------------|--------------------|
| Statement of Consolidated Unaudited Results for the 2nd Quarter and Half Year Ended 30th Sept 2022 (Ind AS) | | | | | | |
| *(Rs in Lakhs) | | | | | | |
| Particulars | For Quarter ended | | | Year to date | | For the year ended |
| | 30-09-2022 | 30-06-2022 | 30-09-2021 | 30-09-2022 | 30-09-2021 | 31-03-2022 |
| (Refer Notes Below) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 REVENUE | | | | | | |
| Income from Operations | 1,135.98 | 1,086.55 | N/A | 2,222.53 | N/A | 993.67 |
| Other Income | 3.48 | 3.55 | N/A | 7.04 | N/A | 105.70 |
| Total Income | 1,139.47 | 1,090.10 | N/A | 2,229.57 | N/A | 1,099.37 |
| Total revenue | 1,139.47 | 1,090.10 | N/A | 2,229.57 | N/A | 1,099.37 |
| 2 EXPENSES | | | | | | |
| a) Employee benefits Expense | 840.05 | 876.52 | N/A | 1,716.57 | N/A | 779.42 |
| b) Finance Cost | - | 0.20 | N/A | 0.20 | N/A | - |
| c) Depreciation and Amortisation Expense | 7.23 | 7.02 | N/A | 14.25 | N/A | 5.32 |
| d) Other expenses | 132.09 | 77.36 | N/A | 209.45 | N/A | 72.41 |
| Total Expenses | 979.37 | 961.10 | N/A | 1,940.47 | N/A | 857.15 |
| 3 Profit before exceptional item and tax (1-2) | 160.09 | 129.00 | N/A | 289.09 | N/A | 242.22 |
| 4 Exceptional Items | - | - | N/A | - | N/A | - |
| 5 Profit Before Tax | 160.09 | 129.00 | N/A | 289.09 | N/A | 242.22 |
| a) Current Tax | 15.21 | 12.12 | N/A | 27.33 | N/A | 17.64 |
| b) Deferred Tax | - | - | N/A | - | N/A | - |
| 6 Profit After Tax | 144.88 | 116.88 | N/A | 261.76 | N/A | 224.58 |
| 7 Other Comprehensive Income | | | | | | |
| a) (i) Items that will not be reclassified to profit or loss | - | - | N/A | - | N/A | - |
| (ii) Income Tax relating to items that will not be reclassified to profit or loss | - | - | N/A | - | N/A | - |
| b) (i) Items that will be reclassified to profit or loss | - | - | N/A | - | N/A | - |
| (ii) Income Tax relating to items that will be reclassified to profit or loss | - | - | N/A | - | N/A | - |
| Total other comprehensive income | - | - | N/A | - | N/A | - |
| 8 Total Comprehensive Income | - | - | N/A | - | N/A | - |
| 9 Paid-up equity share capital | 865.00 | 865.00 | N/A | 865.00 | N/A | 865.00 |
| (Face value of the Share shall be indicated) | 10.00 | 10.00 | N/A | 10.00 | N/A | 10.00 |
| 10 Total Reserves | 1,099.11 | 116.88 | | 1,208.23 | | 946.47 |
| 12 Other Equity | | | | | | |
| 13 Earnings per Share : | | | | | | |
| a) Basic | 1.67 | 1.35 | N/A | 3.03 | N/A | 2.60 |
| b) Diluted | 1.67 | 1.35 | N/A | 3.03 | N/A | 2.60 |

Notes:

- The Company has presented, its consolidated financial results under Indian Accounting Standards ("Ind AS") from April 1, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India. Financial results for the comparative previous period have also been presented in accordance with the recognition and measurement and measurement principles of Ind AS 34.
- The above financial results as recommended by the Audit Committee were considered and approved by the Board of Directors at their meeting held on 14-NOV-2022.
- The Consolidated Financial Results are reviewed by the Statutory Auditors of the Company as per Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The entire operation of the Company relate to only one segment. Hence, segment reporting as per Ind AS 108 is not made.
- The Company acquired Edvenswa Tech Inc, USA as a 100% wholly owned subsidiary on 20-Jan-2022 and hence the consolidation has commenced only from Jan-Mar 2022 i.e. Q4 FY 2022, there are no comparatives for previous quarter Q1 FY 2022.

Place: HYDERABAD
Date: 14-11-2022

By and On behalf of Board of Directors
KLK ELECTRICAL LIMITED
Y Ramesh Reddy
Director

Note: As per the certificate received from the M/s. Anant Rao & Mallik, Chartered Accountants dated January 19, 2023, the diluted earnings per share (EPS) for half year ended September 30, 2022 stands corrected from 3.03 to 2.66

KLK ELECTRICAL LIMITED
Plot No.85, 4th Street , Ganesh Avenue Shakthi Nagar, Chennai 600 116

CONSOLIDATED BALANCE SHEET AS AT 30-09-2022

| Particulars | Note No. | 30-09-2022 | 31-03-2022 |
|-------------------------------------|----------|-----------------|-----------------|
| | | Rs. (Lacs) | Rs. (Lacs) |
| ASSETS | | | |
| 1. Non Current Assets : | | | |
| a) Property, Plant and Equipment | | 50.60 | 39.63 |
| b) Other Intangible Assets | 1 | 47.22 | 191.68 |
| c) Financial Assets : | | | |
| i) Investments | 2 | 5.35 | 5.35 |
| 2. Current Assets : | | | |
| a) Financial Assets : | | | |
| i) Trade Receivables | 3 | 989.39 | 1,085.62 |
| ii) Cash and Cash Equivalents | 4 | 67.76 | 121.70 |
| iii) Short Term Loans & Advances | 5 | 1,595.76 | 1,026.62 |
| TOTAL | | 2,756.07 | 2,470.61 |
| EQUITY AND LIABILITIES | | | |
| EQUITY : | | | |
| a) Equity Share Capital | 6 | 865.00 | 865.00 |
| b) Other Equity | 7 | 1,208.23 | 946.47 |
| c) Share Warrants Application Money | | 75.00 | 75.00 |
| LIABILITIES : | | | |
| 1. Non Current Liabilities : | | | |
| a) Other Long Term Liabilities | | 149.84 | 124.32 |
| 2. Current Liabilities : | | | |
| a) Loans And Advances Received | 8 | 4.65 | 3.64 |
| b) Other Current Liabilities | 9 | 179.09 | 449.05 |
| c) Short Term Provisions | 10 | 274.26 | 7.13 |
| TOTAL | | 2,756.07 | 2,470.61 |



KLK ELECTRICAL LIMITED

Plot No. 85, 4th Street, Ganesh Avenue, Shakthi Nagar, Chennai 600 116

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30-09-2022

| Particulars | | Note No. | Apr - Sept 2022 | 2021-22 |
|----------------------|---|--------------|-----------------|-----------------|
| | | | Rs. Lacs | Rs. Lacs |
| INCOME : | | | | |
| I | Revenue from Operations | | 2,222.53 | 993.67 |
| II | Other Income | 11 | 7.04 | 105.70 |
| III | Total Revenue (I + II) | | 2,229.57 | 1,099.37 |
| EXPENDITURE : | | | | |
| IV | a) Cost Material Consumed | | - | - |
| | b) Employees Benefits Expenses | 12 | 1,716.57 | 779.42 |
| | c) Finance costs | | 0.20 | |
| | d) Depreciation and Amortization | | 14.25 | 5.32 |
| | e) Other Expenses | 13 | 209.46 | 72.41 |
| | Total Expenses | | 1,940.48 | 857.15 |
| V | PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX | (III - IV) | 289.09 | 242.22 |
| VI | Less : Exceptional Items : | | - | - |
| VII | PROFIT BEFORE TAX | (V - VI) | 289.09 | 242.22 |
| VIII | Tax Expense : | | | |
| | a) Current Tax - Current Year | | 27.33 | 17.64 |
| | c) Deferred Tax | | - | - |
| IX | PROFIT AFTER TAX (from continuing operations) | (VII - VIII) | 261.76 | 224.59 |
| X | Other Comprehensive Income Items that will not be reclassified to profit or loss | | - | - |
| XI | Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) | IX+X | 261.76 | 224.59 |
| XII | Earnings Per Share (Rupees) : | | | |
| | a) Basic | | 3.03 | 2.60 |
| | b) Diluted | | 3.03 | 5.96 |



Note: As per the certificate received from the M/s. Anant Rao & Mallik, Chartered Accountants dated January 19, 2023, the diluted earnings per share (EPS) for half year ended September 30, 2022 stands corrected from 3.03 to 2.66.

KLK ELECTRICAL LIMITED
Consolidated Cash Flow Statement for the Period ended 30-09-2022

| | Particulars | Apr - Sept 2022 Rs. (Lacs) | 2021-22 Rs. (Lacs) |
|-----------|---|-------------------------------|-----------------------|
| A. | Cash Flow from Operating Activities | | |
| | Net Profit / (Loss) before Tax | 261.76 | 224.59 |
| | <u>Adjustments for:</u> | | |
| | Depreciation | 14.25 | 5.32 |
| | Dividend Received | - | 1.20 |
| | Profit on sale of Equity shares | - | 100.26 |
| | Operating Profit before Working Capital Changes | 276.01 | 128.45 |
| | Decrease / (Increase) in Trade Receivables | 96.24 | (998.10) |
| | Increase / (Decrease) in Loans and Advances | 1.01 | 3.64 |
| | Increase / (Decrease) in Short Term Provisions | 267.14 | 7.13 |
| | Increase / (Decrease) in Other Current Liabilities | (269.97) | 437.33 |
| | Decrease / (Increase) in Short Term Loans and Advances | (569.14) | (1,059.06) |
| | Cash generated from Operating Activities | (198.71) | (1,480.61) |
| | Income Tax Paid | (27.33) | (17.64) |
| | Net Cash Flow from Operating Activities | (226.04) | (1,498.25) |
| B. | Cash Flow from Investing Activities | | |
| | Acquisition of Fixed Assets | 3.28 | (175.68) |
| | Changes in Intangible Assets | 143.29 | - |
| | Changes In Advances | - | - |
| | Changes in Investments | - | 20.00 |
| | Dividend received | - | 1.20 |
| | Net Cash Flow from Investing Activities | 146.57 | (154.48) |
| C. | Cash Flow from Financing Activities | | |
| | Share Warrants Application Money | - | 75.00 |
| | Long-Term Loans | 25.52 | 124.32 |
| | Share Capital issued | - | 1,500.00 |
| | Net Cash Flow from Financing Activities | 25.52 | 1,699.32 |
| | Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C) | (53.94) | 46.59 |
| | Opening Cash and Cash Equivalents | 121.70 | 75.12 |
| | Closing Cash and Cash Equivalents | 67.76 | 121.70 |

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Govt under Companies (Accounting Standards) Rules, 2006.
- Previous year figures have been regrouped / rearranged, wherever necessary to conform to the current period classification.



RESTATED FINANCIAL STATEMENTS

3. Restated Standalone Financial Statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

The Board of Directors
EDVENSWA ENTERPRISES LIMITED
[Formerly KLK Electrical Limited]

Sirs,

1. We have examined the attached Restated Standalone Ind AS Financial Information of EDVENSWA ENTERPRISES LIMITED (Formerly known as KLK Electrical Limited (the "Company"[or the "Issuer"]]) comprising the Restated Standalone Statement of Assets and Liabilities as at March 31, 2020, March 31, 2021 and March 31, 2022, the Restated Standalone Statements of Profit and Loss (including other comprehensive income), the Restated Standalone Statement of Changes in Equity, the Restated Standalone Cash Flow Statement for the years ended March 31, 2020, 2021 and 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Standalone Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 17-12-2022 for the purpose of inclusion in the offer document prepared by the company in connection with its proposed Rights Issue. The Restated Standalone Ind AS Financial Statements have been prepared for the purpose of inclusion in the Draft Letter of Offer and Letter of Offer (hereinafter referred to as 'Offer Documents') prepared by the Company in connection with its proposed Rights Issue comprising of fresh issue of equity shares of face value of Rs. 10/- each and prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act") as amended;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Standalone Ind AS Financial Information for the purpose of inclusion in the Offer documents to be filed with BSE Limited and the Registrar of Companies, Tamilnadu, in connection with the proposed Rights Issue. The responsibility of the Board of Directors of the company includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Standalone Ind AS Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined these Restated Standalone Ind AS Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter 03-11-2022 in connection with the proposed Rights Issue of equity shares of the Company;
 - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Ind AS Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed Rights Issue.

4. These Restated Standalone Financial Information have been compiled by the management from:

Audited Standalone Ind AS financial statements of the Company for the years ended March 31, 2020, 2021 and 2022 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

5. For the purpose of our examination, we have relied on:
Auditors’ reports issued by us on the Standalone Ind AS Financial Statements of the Company for the years ended March 31, 2020, 2021 and 2022 as referred in Paragraph 4 above; and

6. The audit reports on the Standalone Ind AS Financial statements issued by us were modified and included following matter(s) giving rise to modifications on the financial statements for the years ended March 31, 2022:

Current Tax Expenses (MAT) – additional liability of Rs. 2,10,873/- identified while filing the Return of Income for FY 2021-22. Total Current Tax Liability is Rs. 9,23,373/- when compared to the Provision made of Rs. 7,12,500/-.

7. Based on the above and according to the information and explanations given to us, we further report that the Restated Standalone Ind AS Financial Statements:

- a) Do not contain any adjustment due to change in the accounting policy, since there are no changes in accounting policies;
- b) Do not contain any adjustments for the material amounts in the respective financial years to which they relate;
- c) Do not contain any extraordinary items that need to be disclosed separately in the Restated Standalone Ind AS financial Information in the respective financial years;
- d) Do not contain any qualification as at and for the years ended 31st March, 2020, 2021 and 2022 which require adjustments.

8. Based on our examination and according to the information and explanations given to us, we report that the Restated Standalone Ind AS Financial Information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively, wherever applicable, in the financial years ended March 31, 2020, 2021 and 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed;
- b) have been made after giving effect to the matter(s) giving rise to modifications mentioned in paragraph 6 above; and
- c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. We, M/s. Anant Rao & Mallik, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “**Peer Review Board**” of the ICAI which is valid till 31-07-2024.

10. The Restated Standalone Ind AS Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports of Standalone Ind AS Financial Statements and audited Standalone financial statements mentioned in paragraph 4 above.

11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality

control for Firms that perform Audits and reviews of Historical Financial Information and other Assurance and Related Services Engagements.

12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with the BSE Limited and the ROC in connection with the proposed Rights Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Regn. No. 006266S

Sd/-

V. ANANT RAO
Partner
Membership No. 022644

Date: 17/12/2022
UDIN: 22022644BFQPFW3924

ANNEXURE - I
STATEMENT OF STANDALONE ASSETS & LIABILITIES, AS RESTATED

| Particulars | Note No. | As on | | |
|---|----------|-----------------|---------------|---------------|
| | | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| I. ASSETS: | | | | |
| (1) Non-Current Assets | | | | |
| a) Property, Plant & Equipment | | | | |
| (i) Tangible Assets | I.12 | - | - | - |
| (ii) Intangible Assets | | 55.63 | 55.63 | 55.63 |
| (iii) Capital Work-In-Progress | | - | - | - |
| (iv) Intangible assets under development | | - | - | - |
| Total Property, Plant & Equipment | | 55.63 | 55.63 | 55.63 |
| b) Non - current Investments | I.13 | 1,505.35 | 25.35 | 25.35 |
| c) Deferred Tax Assets (Net) | I.4 | - | - | - |
| d) Long Term Loans and Advances | I.14 | - | - | - |
| e) Other Non- current Assets | I.15 | - | - | - |
| Total Non Current Assets | | 1,505.35 | 25.35 | 25.35 |
| (2) Current Assets | | | | |
| a) Current Investments | I.16 | - | - | - |
| b) Inventories | I.17 | - | - | - |
| c) Trade Receivables | I.18 | 162.31 | 87.53 | 86.82 |
| d) Cash and Cash Equivalents balances | I.19 | 75.12 | 0.16 | 0.54 |
| e) Short Term Loans and advances | I.20 | 114.37 | 24.55 | 29.72 |
| f) Other Current Assets | I.21 | - | - | - |
| Total Current Assets | | 351.80 | 112.24 | 117.08 |
| Total Assets | | 1,912.78 | 193.21 | 198.05 |
| II. EQUITY & LIABILITIES: | | | | |
| (1) Shareholders Fund | | | | |
| a) Share capital | I.1 | 865.00 | 265.00 | 265.00 |
| b) Other Equity | I.2 | 944.36 | (83.51) | (76.69) |
| c) Money received against Share Warrants | | 75.00 | - | - |
| Total Shareholder's Fund | | 1,884.36 | 181.49 | 188.31 |
| (2) Share Application money pending allotment | | - | - | - |
| (3) Non-Current Liabilities | | | | |
| a) Long-Term Borrowings | I.3 | - | - | - |
| b) Deferred Tax Liability (Net) | I.4 | - | - | - |
| c) Other Long Term Liabilities | I.5 | - | - | - |
| d) Long Term provisions | I.6 | - | - | - |
| Total Non Current Liabilities | | - | - | - |
| (4) Current Liabilities | | | | |
| a) Short Term Borrowings | I.7 | - | - | - |
| b) Current Maturity of Long Term Borrowings | I.8 | - | - | - |
| c) Trade Payables: | | - | - | - |
| - Total outstanding dues of MSME; and | I.9 | | | |
| - Total outstanding dues of creditors other than MSME | | | | |
| d) Other Current Liabilities | I.10 | 19.18 | 11.72 | 9.75 |
| e) Short Term Provisions | I.11 | 9.23 | - | - |
| Total Current Liabilities | | 28.42 | 11.72 | 9.75 |
| Total Equity & Liability | | 1,912.78 | 193.21 | 198.05 |

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For ANANT RAO & MALLIK
 Chartered Accountants
 Firm Reg. No: 006266S
 Sd/-
 CA V. ANANT RAO
 Partner
 Membership No: 022644
 Place: Hyderabad
 Date: 17-12-2022
 UDIN No: 22022644BFQPFW3924

For and Behalf of Board
 EDVENSWA ENTERPRISES LIMITED
 (Formerly KLK Electrical Limited)

Sd/-
 S. SREENIVASA UPPULURI
 Director
 DIN No: 01275332 DIN No: 01483626

Sd/-
 U.KRISHNA MURTHY
 (Chief Financial Officer)

Sd/-
 Y.RAMESH REDDY
 Director

Sd/-
 HIMABINDU DULIPALA
 (Company Secretary)
 (Membership No: 35703)

ANNEXURE - II
STATEMENT OF STANDALONE PROFIT & LOSS, AS RESTATED

(Rs in Lacs)

| Particulars | Note No. | For the Year ended on | | |
|--|----------|-----------------------|---------------|---------------|
| | | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Income | | | | |
| Revenue from Operations | II.1 | 50.24 | 104.12 | - |
| Other Income | II.2 | 101.46 | 1.00 | 2.00 |
| Total Revenue | | 151.69 | 105.12 | 2.00 |
| Expenditure | | | | |
| Cost of Material Consumed | II.3 | - | - | - |
| Purchase of Stock-in-Trade | II.4 | - | 99.31 | - |
| Change in Inventories | II.5 | - | - | - |
| Employee Benefit Expenses | II.6 | 3.65 | 3.60 | 1.80 |
| Other Expenses | II.7 | 10.94 | 9.03 | 9.16 |
| Total Expenses | | 14.59 | 111.94 | 10.96 |
| Profit Before Interest, Depreciation and Tax | | 137.10 | (6.81) | (8.96) |
| Depreciation & Amortisation Expenses | I.12 | - | - | - |
| Profit Before Interest and Tax | | 137.10 | (6.81) | (8.96) |
| Financial Charges | II.8 | - | - | - |
| Profit before Taxation | | 137.10 | (6.81) | (8.96) |
| Provision for Taxation | II.9 | 9.23 | - | - |
| Provision for Deferred Tax | | - | - | - |
| Total | | 9.23 | - | - |
| Profit After Tax but Before Extra ordinary Items | | 127.87 | (6.81) | (8.96) |
| Extraordinary Items | | - | - | - |
| Profit Attributable to Minority Shareholders | | - | - | - |
| Net Profit after adjustments | | 127.87 | (6.81) | (8.96) |
| Other Comprehensive Income: | | | | |
| a) Re-measurement Gain / (Loss) on Employee Defined Benefit Plan | | - | - | - |
| b) Others | | - | - | - |
| Other Comprehensive Income Total | | - | - | - |
| Total Comprehensive Income for the year | | 127.87 | (6.81) | (8.96) |
| Earnings Per Share (of Rs. 10/- each): | | | | |
| a) Basic (in Rs.) | | 3.39 | (0.26) | (0.34) |
| b) Diluted (in Rs.) | | 1.30 | (0.26) | (0.34) |

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For ANANT RAO & MALLIK
 Chartered Accountants
 Firm Reg. No: 006266S
 Sd/-
 CA V. ANANT RAO
 Partner
 Membership No: 022644
 Place: Hyderabad
 Date: 17-12-2022
 UDIN No: 22022644BFQPFW3924

For and Behalf of Board
EDVENSWA ENTERPRISES LIMITED
 (Formerly KLK Electrical Limited)
 Sd/-
 S. SREENIVASA UPPULURI
 Director
 DIN No: 01275332
 Sd/-
 U.KRISHNA MURTHY
 (Chief Financial Officer)

Sd/-
 Y.RAMESH REDDY
 Director
 DIN No: 01483626
 Sd/-
 HIMABINDU DULIPALA
 (Company Secretary)
 (Membership No: 35703)

Note: As per the certificate received from the M/s. Anant Rao & Mallik, Chartered Accountants dated January 19, 2023, the Basic and Diluted Earnings per Share (EPS) for Financial Year ended March 31, 2022 stands corrected to 3.39 and 1.30 respectively.

ANNEXURE - III
STATEMENT OF STANDALONE CASH FLOW, AS RESTATED

(Rs. In Lacs)

| PARTICULARS | For the Year ended on | | |
|---|-----------------------|---------------|----------------|
| | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit Before Tax as per Profit & Loss A/c | 127.87 | (6.81) | (8.96) |
| Adjusted for: | | | |
| a. Depreciation | - | - | - |
| b. Interest Expenses & Finance Cost | - | - | - |
| c. Other Adjustments | - | - | - |
| d. Interest & Other Income | (1.20) | (0.93) | (2.00) |
| Operating profit before working capital changes | 126.67 | (7.74) | (10.96) |
| Adjusted for: | | | |
| a. Decrease / (Increase) in Inventories | - | - | - |
| b. Decrease / (Increase) in Trade Receivable | (74.79) | (0.71) | - |
| b. Decrease / (Increase) in Current Investments | - | - | - |
| c. (Increase) / Decrease in Short Term Loans and Advances | (89.83) | 5.18 | 8.56 |
| d. Increase / (Decrease) in Trade Payables | - | - | - |
| e. Increase / (Decrease) in Short Term Provisions | 9.23 | - | - |
| f. Increase / (Decrease) in Other Current Liabilities | 7.46 | 1.97 | 0.47 |
| g. (Increase) / Decrease in Other Current Assets | - | - | - |
| Cash generated from operations | (21.25) | (1.30) | (1.93) |
| Net Income Tax (Paid)/Refund | - | - | - |
| Net Cash Generated/(Used) From Operating Activities (A) | (21.25) | (1.30) | (1.93) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| a. (Purchase) Sale of Fixed Assets | - | - | - |
| b. (Purchase) / Sale of non-current investment | (1,480.00) | - | - |
| c. (Increase) / Decrease in Long Term Loans and Advances | - | - | - |
| d. Increase / (Decrease) in Long Term Provisions | - | - | - |
| e. (Increase) / Decrease in Other Non Current Assets | - | - | - |
| f. (Increase) in Misc. Expenses | - | - | - |
| g. Interest & Other Income | 1.20 | 0.93 | 2.00 |
| Net Cash Generated/(Used) From Investing Activities (B) | (1,478.80) | 0.93 | 2.00 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| a. Interest & Finance Cost | - | - | - |
| b. Proceeds from Shares issued including Premium & Warrants | 1,575.00 | - | - |
| c. (Repayments) / Proceeds of Long Term Borrowings | - | - | - |
| d. (Repayments) / Proceeds of Short Term Borrowings | - | - | - |
| Net Cash Generated/(Used) From Financing Activities (C) | 1,575.00 | - | - |
| Net Increase / (Decrease) in cash and cash equivalents | 74.95 | (0.37) | 0.07 |
| Cash and cash equivalents at the beginning of the year | 0.16 | 0.54 | 0.47 |
| Cash and cash equivalents at the end of the year | 75.12 | 0.16 | 0.54 |

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year
- The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For ANANT RAO & MALLIK
 Chartered Accountants
 Firm Reg. No: 006266S
 Sd/-
 CA V. ANANT RAO
 Partner
 Membership No: 022644
 Place: Hyderabad
 Date: 17-12-2022
 UDIN No: 22022644BFQPFW3924

For and Behalf of Board
EDVENSWA ENTERPRISES LIMITED
 (Formerly KLK Electrical Limited)
 Sd/-
 S. SREENIVASA UPPULURI
 Director
 DIN No: 01275332 DIN No: 01483626
 Sd/-
 U. KRISHNA MURTHY
 (Chief Financial Officer)

Sd/-
 Y. RAMESH REDDY
 Director

Sd/-
 HIMABINDU DULIPALA
 (Company Secretary)
 (Membership No: 35703)

Annexure 1.2

STANDALONE RESTATED STATEMENT OF CHANGES IN EQUITY:

A. Equity Share Capital:

(Rs. Lacs)

| Particulars | Amount |
|---|--------|
| Balance as on March 31, 2019 | 265.00 |
| Changes in Equity Share Capital during the year | - |
| Balance as on March 31, 2020 | 265.00 |
| Changes in Equity Share Capital during the year | - |
| Balance as on March 31, 2021 | 265.00 |
| Changes in Equity Share Capital during the year | 600.00 |
| Balance as on March 31, 2022 | 865.00 |

B. Other Equity:

(Rs. In Lacs)

| Particulars | Reserves and Surplus | | | | Total |
|---|----------------------|------------------|-------------------|-------------------------------------|---------|
| | Securities Premium | General Reserves | Retained Earnings | Items of Other Comprehensive Income | |
| Balance as on March 31, 2019 | - | - | (67.73) | - | (67.73) |
| Net Profit / (Loss) for the year | - | - | (8.96) | - | (8.96) |
| Balance as on March 31, 2020 | - | - | (76.69) | - | (76.69) |
| Net Profit / (Loss) for the year | - | - | (6.81) | - | (6.81) |
| Balance as on March 31, 2021 | - | - | (83.51) | - | (83.51) |
| Net Profit / (Loss) for the year | - | - | 127.87 | - | 127.87 |
| Securities Premium received during the year | 900.00 | - | - | - | 900.00 |
| Balance as on March 31, 2022 | 900.00 | - | 44.36 | - | 944.36 |

Annexure – I.1
Restated Statement of Share Capital

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|------------|------------|------------|
| Authorised Capital | | | |
| 100,00,000 (50,00,000) Equity shares of ₹10/- each | 1,000.00 | 500.00 | 500.00 |
| Issued, Subscribed & Fully Paid-up | | | |
| 86,50,000 (26,50,000) Equity shares of ₹10/- each | 865.00 | 265.00 | 265.00 |

Note: The Company has only one class of equity shares of par value ₹10/- each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding.

Reconciliation of No. of Shares Outstanding at the end of the year
(No. of Equity Shares)

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|------------------|------------------|------------------|
| Shares outstanding at the beginning of the year | 26,50,000 | 26,50,000 | 26,50,000 |
| Shares issued during the year | 60,00,000 | - | - |
| Bonus Issued during the year | - | - | - |
| Share outstanding at the end of the year | 86,50,000 | 26,50,000 | 26,50,000 |

During the FY 2021-22, the Company has issued 60,00,000 Equity shares on Preferential Basis of Face Value of Rs. 10/- each at an issue price of Rs. 25/- to Mr. Sreenivasa Sreekanth Uppuluri in lieu of purchase of 60,00,000 Common Stock of Edvenswa Tech INC aggregating to Rs. 15,00,00,000 (Rupees Fifteen Crores Only) determined in accordance with the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 and got Shareholders consent for the Same Vide EGM dated 2nd December 2021.

The Company got the shareholders' approval for issue of 12,00,000 (Twelve Lakh only) Equity share Warrants ("Warrants") at a price of Rs.25/- per Warrant with a right to the warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of Rs.10/- each of the Company ("Equity Shares") at a premium of Rs.15/- per share for each warrant within a period of 18 (Eighteen) months from the date of allotment of the Warrants, aggregating to Rs. 3,00,00,000/- (Rupees Three Crores Only) to Yerradoddi Ramesh Reddy, ("Proposed Allottee"), for cash determined in accordance with the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 as on the Relevant Date on such other terms and conditions as may be approved by the Board.

Details of Shareholding more than 5% of the aggregate shares in the company

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------------------------------|------------|------------|------------|
| RAJENDRA NANIWADEKAR | | | |
| No. of Shares | 4,16,100 | 4,16,100 | 4,16,100 |
| % Holding | 4.81% | 15.70% | 15.70% |
| SRI RAMACHANDRA DURGA PRASAD | | | |
| No. of Shares | 2,05,000 | 2,05,000 | 2,05,000 |
| % Holding | 2.37% | 7.74% | 7.74% |
| G HANUMANTHA RAO | | | |
| No. of Shares | 1,57,050 | 1,57,050 | 1,57,050 |
| % Holding | 1.82% | 5.93% | 5.93% |
| MAYUR N DHAROD | | | |
| No. of Shares | 3,12,000 | 3,12,000 | 3,12,000 |
| % Holding | 3.61% | 11.77% | 11.77% |
| UDAY KRANTI INVESTMENTS LTD | | | |
| No. of Shares | 3,50,000 | 3,50,000 | 3,50,000 |
| % Holding | 4.05% | 13.21% | 13.21% |
| SREENIVASA SREEKANTH UPPULURI | | | |
| No. of Shares | 60,00,000 | - | - |
| % Holding | 69.36% | 0.00% | 0.00% |

Details of Shareholding of Promoters (P) & Promoter Group (PG)

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|------------|------------|------------|
| SREENIVASA SREEKANTH UPPULURI (P) | | | |
| No. of Shares | 60,00,000 | - | - |
| % Holding | 69.36% | 0.00% | 0.00% |
| % change during the year | 100.00% | 0.00% | 0.00% |
| LAVAKUMAR V (P) | | | |
| No. of Shares | 96,549 | - | - |
| % Holding | 1.12% | 0.00% | 0.00% |
| % change during the year | 100.00% | 0.00% | 0.00% |
| DEVI LAVAKUMAR (P) | | | |
| No. of Shares | 62,300 | - | - |
| % Holding | 0.72% | 0.00% | 0.00% |
| % change during the year | 100.00% | 0.00% | 0.00% |
| EDVENSWA TECH PRIVATE LIMITED (PG) | | | |
| No. of Shares | 2,770 | - | - |
| % Holding | 0.03% | 0.00% | 0.00% |
| % change during the year | 100.00% | 0.00% | 0.00% |
| KARTHIK L (P) | | | |
| No. of Shares | 400 | - | - |
| % Holding | 0.0046% | 0.00% | 0.00% |
| % change during the year | 100.00% | 0.00% | 0.00% |

Note: Only current promoters shareholding is shown in previous years

Annexure – I.2

Restated Statement of Changes in Equity
 (See SOCE Sheet)

Annexure – I.3
Restated Statement of Long Term Borrowings

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------------------------------|------------|------------|------------|
| Secured Loans from Bank/FIs | - | - | - |
| Unsecured Loans from Bank/FIs | - | - | - |
| Unsecured Loans from Related Parties | - | - | - |
| Unsecured Loans from Others | - | - | - |
| Total Long Term Borrowings | - | - | - |

Note: There were no rescheduling or defaults in the repayment of loan taken by the Company

Please insert notes on Terms of Loan

Annexure – I.4
Restated Statement of Deferred Tax Liabilities/Assets

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|------------|------------|------------|
| Deferred Tax Assets/Liabilities Provision | | | |
| WDV As Per Companies Act 2013 | - | - | - |
| WDV As Per Income tax Act | - | - | - |
| Difference in WDV | - | - | - |
| (DTA)/DTL | - | - | - |
| Deferred Tax Assets Provision | | | |
| Opening Balance of (DTA)/DTL | - | - | - |
| Add: Provision for the year | - | - | - |
| Closing Balance of (DTA)/DTL | - | - | - |

Annexure – I.5
Restated Statement of Other Long Term Borrowings

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.6
Restated Statement of Long Term Provisions

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.7
Restated Statement of Short Term Borrowings

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------------------------------|------------|------------|------------|
| Secured Loans from Bank/FIs | - | - | - |
| Unsecured Loans from Bank/FIs | - | - | - |
| Unsecured Loans from Related Parties | - | - | - |
| Unsecured Loans from Others | - | - | - |
| Total Short Term Borrowings | - | - | - |

Annexure – I.8
Restated Statement of Current Maturity of Long Term Borrowing

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|------------|------------|------------|
| Total of Current Maturity of Long Term Borrowing | - | - | - |

Annexure – I.9
Restated Statement of Trade Payables

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|------------|------------|------------|
| Outstanding Dues for MSME Creditors | - | - | - |
| Outstanding Dues for Other than MSME Creditors | - | - | - |
| Disputed Creditors, if any | - | - | - |
| Total | - | - | - |

Annexure – I.10
Restated Statement of Other Current Liabilities

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|-----------------------------|--------------|--------------|-------------|
| Short Term Advance Received | 3.64 | - | - |
| Creditors for Expenses | 15.54 | 11.72 | 9.75 |
| Total | 19.18 | 11.72 | 9.75 |

Annexure – I.11
Restated Statement of Short Term Provision

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------------|-------------|------------|------------|
| Current Income Tax | 9.23 | - | - |
| Total | 9.23 | - | - |

Annexure – I.12
Restated Statement of Property, Plant and Equipment

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|--------------|--------------|--------------|
| Tangible Assets | - | - | - |
| B) Intangible Assets - Technical Know how | | | |
| Gross Block - Opening Balance | 55.63 | 55.63 | 55.63 |
| Addition/Sale during the year | - | - | - |
| Gross Block - Closing Balance | 55.63 | 55.63 | 55.63 |
| Accumulated Depreciation - Opening Balance | - | - | - |
| Depreciation during the year | - | - | - |
| Accumulated Depreciation - Closing Balance | - | - | - |
| <i>Net Block</i> | 55.63 | 55.63 | 55.63 |
| C) Capital Work-In-Progress | - | - | - |

Annexure – I.13
Restated Statement of Non - Current Investments

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|-----------------|--------------|--------------|
| Investments in Equity Shares | 5.35 | 25.35 | 25.35 |
| EDVENSWA TECH INC, USA (60,00,000 Equity Shares) | 1,500.00 | - | - |
| Total | 1,505.35 | 25.35 | 25.35 |

Annexure – I.14
Restated Statement of Long Term Loans & Advances

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.15
Restated Statement of Other Non-current Assets

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.16
Restated Statement of Current Investments

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.17
Restated Statement of Inventories

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.18
Restated Statement of Trade Receivables

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|---------------|--------------|--------------|
| Undisputed Trade receivables – considered good | 162.31 | 87.53 | 86.82 |
| Undisputed Trade receivables – considered doubtful | - | - | - |
| Disputed Trade receivables – considered good | - | - | - |
| Disputed Trade receivables – considered doubtful | - | - | - |
| Total | 162.31 | 87.53 | 86.82 |

Note: Trade Receivable Ageing schedule

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------------|---------------|--------------|--------------|
| Less Than 6 Months | - | - | - |
| 6 Months - 1 Years | 74.79 | 0.71 | 86.82 |
| 1 - 2 Years | 87.53 | 86.82 | - |
| 2 - 3 Years | - | - | - |
| More Than 3 Years | - | - | - |
| Total | 162.31 | 87.53 | 86.82 |

Annexure – I.19
Restated Statement of Cash and Cash Equivalents

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|--------------|-------------|-------------|
| Cash In Hand | 0.03 | 0.03 | 0.03 |
| Balance With Bank (in Current Accounts) | 75.09 | 0.14 | 0.51 |
| Total | 75.12 | 0.16 | 0.54 |

Annexure – I.20
Restated Statement of Short Term Loans and Advances

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|---------------|--------------|--------------|
| Loans and Advances to others Unsecured, Considered good | | | |
| Advances To Others | 19.37 | 24.55 | 29.72 |
| Advances to Suppliers | 95.00 | - | - |
| Total | 114.37 | 24.55 | 29.72 |

Annexure – I.21
Restated Statement of Other Current Assets

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure –II.1
Restated Statement of Revenue from operations

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|--------------|---------------|------------|
| Sale from Service Activities | | | |
| - Domestic Sales | - | 104.12 | - |
| - Export Sales | 50.24 | - | - |
| Total Sale from Service Activities | 50.24 | 104.12 | - |
| Total Revenue from Operations | 50.24 | 104.12 | - |

Annexure –II.2
Restated Statement of Revenue from Other Income

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---------------------------------|---------------|-------------|-------------|
| Dividend received on Investment | 1.20 | 1.00 | 2.00 |
| Profit On Sale Of Equity Shares | 100.26 | - | - |
| Total | 101.46 | 1.00 | 2.00 |

Annexure –II.3
Restated Statement of Cost of Materials Consumed

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|----------------------------------|------------|------------|------------|
| Cost of Material Consumed | - | - | - |

Annexure –II.4
Restated Statement of Purchase of Stock-In-Trade

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|-------------------------|------------|--------------|------------|
| Purchases of Components | - | 99.31 | - |
| Total | - | 99.31 | - |

Annexure –II.5
Restated Statement of Change in Inventory

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|------------|------------|------------|
| Opening Balance: | - | - | - |
| Closing Balance | - | - | - |
| Net (Increase)/Decrease in Stocks | - | - | - |

Annexure –II.6
Restated Statement of Employees Benefit Expenses

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|-------------------------|-------------|-------------|-------------|
| Directors Remuneration | - | - | - |
| Salaries, Wages & Bonus | 3.65 | 3.60 | 1.80 |
| Total | 3.65 | 3.60 | 1.80 |

Annexure –II.7
Restated Statement of Other Expenses

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|--------------|-------------|-------------|
| <i>Direct Manufacturing Expenses</i> | - | - | - |
| <i>Administrative & Other Expenses</i> | | | |
| Rent | 1.20 | 1.22 | 1.22 |
| Legal & Consultancy Charges including listing/depository/registrar fees | 6.21 | 6.74 | 6.03 |
| Travelling & Conveyance Expenses | - | - | 0.59 |
| Postage & Telephone Charges | - | 0.05 | 0.30 |
| Advertisement Charges | 0.53 | 0.49 | 0.39 |
| Printing & Stationery | 0.25 | 0.25 | 0.35 |
| Auditors remuneration | 0.28 | 0.28 | 0.28 |
| Other Expenses | 2.45 | - | - |
| Bank Charges | 0.02 | 0.00 | - |
| Total of Administrative & Other Expenses | 10.94 | 9.03 | 9.16 |
| Total Other Expenses | 10.94 | 9.03 | 9.16 |

Annexure –II.8
Restated Statement of Financial Charges

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|------------------|------------|------------|------------|
| Interest On Loan | - | - | - |
| Total | - | - | - |

Annexure –II.9
Restated Statement of Provision For Taxation

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Current Tax | 9.23 | - | - |
| Deferred Tax | - | - | - |

**NOTES TO THE RESTATED STANDALONE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEARS ENDED 31-03-2020, 31-03-2021 AND 31-03-2022
(All amounts are Rs. in Lakhs unless otherwise stated)**

1. General Information

Edvenswa Enterprises Limited (the 'Company') (Formerly KLK Electrical Limited) is a Public Limited Company domiciled in India Incorporated on 18-04-1980 and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange. The Company is engaged in Trading in Electrical components, Computers and Peripherals, Software Development, Software Consultancy, etc.

The Company has its registered office located at – Chennai, Tamil Nadu, India.

The following standards / amendments to standards have been issued and will be effective from 1st April 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- **Indian Accounting Standard (Ind AS) 103 – Business Combinations** – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date. Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.
- **Indian Accounting Standard (Ind AS) 109 – Financial Instruments** – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities
- **Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment** – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- **Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets** – Modifications in application of recognition and measurement principles relating to onerous contracts

2. Basis of Preparation

A. Statement of Compliance

The Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

The financial statements were authorized for issue by the Company's Board of Directors on 8th April 2022 Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

C. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least Twelve months after the reporting period.

All other assets are classified as non-current

A liability is treated as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

D. Basis of Measurement

The Standalone Financial Statements have been prepared on the historical cost basis except for investments in mutual funds, non-trade equity shares, bonds and provision for employee defined benefit plans, which are measured at fair values at the end of each reporting period

| Item | Measurement basis |
|---|---|
| Certain financial assets and liabilities (including derivatives instrument) | Fair value |
| Net defined benefit (asset)/liability | Fair value of plan assets less present value of defined benefit obligations |

E. Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and disclosure of contingent liabilities on the date of financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions, and judgments, which have significant effect on the amounts recognized in the financial statement:

Property, plant, and equipment

External adviser or internal technical team assesses the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

Intangibles

Internal technical or user team assesses the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Insurance claims

Insurance claims are recognized when the Company has reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2022 is included when required.

Allowances for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

F. Measurement of fair values

A number of companies accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing service, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. **Significant Accounting Policies**

3.1. Property, Plant, and Equipment

Freehold land and building are carried at Fair value. All other items of property, plant and equipment except freehold land and building are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation, and impairment loss, if any. Cost includes purchase price, including non-refundable duties and taxes, expenditure that is directly attributable to bring the assets to the location and condition necessary for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policies. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Spare parts are treated as capital assets in accordance with Ind AS when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of property, plant and equipment.

Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognized in the Statement of Profit or Loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising from its de-recognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when the asset is de- recognised.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided using the straight-line method based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, and is generally recognized in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. In the case of lease hold improvements, depreciation is provided over primary lease period or useful life of the asset whichever is less. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided based on the useful life and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the useful life of the property, plant and equipment have been determined by the Management based on the technical assessment / evaluation:

| | |
|-------------------------|------------|
| Factory Buildings | - 30 Years |
| Non-Factory Buildings | - 60 Years |
| Plant and Machinery | - 15 Years |
| Computer | - 3 Years |
| Furniture and Fixtures | - 10 Years |
| Vehicles | - 8 Years |
| Electrical Installation | - 10 Years |
| Office Equipment | - 5 Years |

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of). Individual assets costing less than ₹ 10,000/- are fully depreciated in the year of purchase. Leasehold rights for land are amortized on a straight-line basis over the primary lease period.

3.2. Intangible Assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are initially measured at its cost and then carried at the cost less accumulated amortisation and accumulated impairment, if any

- I. Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any.
- II. Intangible assets are amortized on a straight-line basis as under.
 - a) Software costing up to ₹ 25,000/- is amortized out in the year of acquisition. Other Software acquired is amortized over its estimated useful life of 5 years;
 - b) Intellectual Property is amortized over its estimated useful life of 2 years

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and Development expenses

Expenditure on research activities is charged to Statement of Profit and Loss in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

- Technical feasibility of completing the intangible asset to show its availability for use or sale;
- Intention to complete the intangible asset and its use or sell;
- Ability to use or sell;
- How it will generate future economic benefits;
- Availability of technical, financial and other resources to complete the development phase; and
- Ability to measure reliably the expenditure attributable to development phase.

The amount initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is charged to Statement of Profit and Loss in the period in which the same are incurred.

Subsequent to its initial recognition, the development expenditure recognised as an assets are reported at cost less accumulated amortization and impairment loss, on the same basis as intangible assets that are acquired separately.

De-recognition of intangible assets

Intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is de-recognized.

3.3. Impairment of Tangible and Intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

An intangible asset not yet available for use is tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

3.4. Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in Standalone Statement of Profit and Loss.

Once assets classified as held-for-sale, then Property, Plant and Equipment, Investment Property and Other Intangible Assets are no longer required to be depreciated or amortised

3.5. Foreign currency transactions and balances

Transactions in foreign currency are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

At each balance sheet date, the foreign currency monetary items are reported at the functional currency spot rates of exchange. Exchange differences that arise on settlement or on translation of monetary items are recognized as income or expenses in the Statement of Profit and Loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI); and
- qualifying cash flow hedges to the extent that the hedges are effective.

Non-monetary items which are carried at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Forward exchange contracts entered into to hedge and manage foreign currency exposures relating to highly probable transactions or firm commitments are marked to market and resulting gains or losses are recorded in the statement of profit and loss.

3.6. Financial Instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

i. Financial Assets:

a. Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) is recognised on the trade date i.e. the date that the Company commits to purchase or sell the asset.

b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

-Financials Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, debt instruments at amortised cost are subsequently measured at amortised cost using the effective interest rate method, less impairment, if any.

-Financial assets at fair value through Other Comprehensive Income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

-Financial assets at fair value through Profit or Loss (FVTPL)

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

c. De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset, and the transfer qualifies for de-recognition under Ind AS 109.

d. Impairment

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through Profit and Loss / OCI. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is treated as an impairment gain or loss in Statement of Profit and Loss.

ii. Financial Liabilities:

a. Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities are classified, at initial recognition, as at fair value through profit and loss or as those measured at amortised cost.

b. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

-Financial liabilities at fair value through Profit and Loss:

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

-Financial liabilities measured at Amortised Cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method except for those designated in an effective hedging relationship.

c. De-recognition

A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

3.7. Inventories

Inventories are measured at lower of cost and net realizable value. Cost of inventories is determined on a First in First Out (FIFO) / weighted average basis respectively (as mentioned below), after providing for obsolescence and other losses as considered necessary. Cost includes expenditure incurred in acquiring the inventories, reduction and conversion costs and other costs incurred in bringing them to their present location and condition. In the case of work-in-progress

and finished goods, cost includes an appropriate proportion of fixed production overheads based on normal operating capacity and, where applicable, excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value.

Items of Inventory are valued on the principle laid down by the Ind AS 2 on Inventories on the basis given below:

| | |
|--|--|
| (a) Raw Materials, Stores & Spares (that are not capitalized) and Fuel | Lower of cost (determined on weighted average basis) and net realizable value |
| (b) Packing Material | Lower of cost (determined on FIFO basis) and net realizable value |
| (c) Work-in-Progress | Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. |
| (d) Finished Goods | Lower of cost and net realizable value. Cost includes direct materials, labour, a proportion of manufacturing overheads based on normal operating capacity and excise duty |

3.8. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at bank and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the Statement of Cash flows, Cash and cash equivalents comprises cash at bank and on hand, demand deposits and short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Income Tax

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity/OCI, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted on the reporting date.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

3.10.Revenue recognition

Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods.

Revenue is recognisable to the extent of the amount that reflects the consideration (i.e. the transaction price) to which the Company is expected to be entitled in exchange for those goods or services excluding any amount received on behalf of third party (such as indirect taxes). The transaction price is determined on the basis of agreement entered into with the customer.

The Company satisfies the performance obligation and recognises revenue over time, if one of the criteria prescribed under

Ind AS 115 - “Revenue from Contracts with Customers” is satisfied. If a performance obligation is not satisfied over time, then revenue is recognised at a point in time at which the performance obligation is satisfied.

The Company recognises revenue for performance obligation satisfied over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation. The Company would not be able to reasonably measure its progress towards complete satisfaction of a performance obligation if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In those circumstances, the Company recognises revenue only to the extent of cost incurred until it can reasonably measure outcome of the performance obligation.

Income from Services

Revenue from service contracts are recognized net of GST, when all the following conditions are satisfied.

- The amount of revenue can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Company
- The stage of completion of transaction at the end of the reporting period can be measured reliably.
- The cost incurred for the transaction and the cost to complete the transaction can be measured reliably

Rent

Rental Income is recognized on accrual basis in accordance with terms of respective rent agreements.

Dividend and Interest income

Dividend income from investments is recognized when the Company’s right to receive payment is established. Interest income is recognized using effective interest method and subject to the following conditions:

- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The amount of revenue can be measured reliably.

3.11.Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognized provident funds and approved superannuation schemes which are defined contribution plans are recognized as an employee benefit expense and charged to the statement of profit and loss as and when the services are received from the employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company’s net obligation in respect of gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated for each plan by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. An unrecognized past service costs and the fair value of any plan assets are deducted.

The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

Retirement and other employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentive, paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund and superannuation etc. recognized as actual amounts due in period in which the employee renders the related services.

i. A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.

ii. A retirement benefit in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with Insurance Company in the form of a qualifying insurance policy.

iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has established a gratuity trust to provide gratuity benefit through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India(LIC). Under this plan, the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.

iv. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains/losses are recognized immediately in the statement of other comprehensive income.

3.12. Provisions (other than for employee benefits) and Contingencies:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

Contingent Liabilities

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible.

A possible obligation arising from past events, unless the probability of outflow of resources is remote.

3.13. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.14. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

A. Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

B. Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

A. Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

B. Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever, the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April 2019 and applied the standard prospectively to its leases.

3.15. Earnings per share

Basic earnings per share are calculated by dividing the profit/ (loss) from continuing operations and the total profit/ (loss) attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the profit/(loss) from continuing operations and the total profit/(loss) attributable to equity shareholders by the weighted average number of shares outstanding during the period after adjusting the effects of all dilutive potential equity shares.

3.16. Cash Flow Statement

Cash and cash equivalents include cash at bank and cash in hand and highly liquid interest-bearing securities with maturities of three months or less from the date of inception/acquisition.

The Cash Flow Statement is prepared by using the “indirect method” set out in Ind AS 7 on “Cash Flow Statements” and presents the cash flows during the period by operating, investing and financing activities of the company.

4. Contingent Liabilities:

The Company does not have any Contingent Liabilities

5. There were no employees drawing remuneration in excess of the limits laid down in Section 197 of the Companies Act, 2013.
6. Disclosures required under Section 22 of MSMED Act, 2006 under the Chapter on delayed payments to Micro and Small Enterprises:

| | | |
|-------------------|-------------------|------------------|
| FY 2021-22 – Nil; | FY 2020-21 – Nil; | FY 2019-20 - Nil |
|-------------------|-------------------|------------------|

7. **Foreign Exchange Inflow:** Rs. 40,23,760/-.

8. Segment Reporting:

Based on ‘the Management Approach’, as defined in Ind AS 108, the Chief Decision Maker evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments.

Presently, from FY 2021-22, the company is engaged in Software Development and Information Technology Services, Software Consultancy, etc. which all fall under information Technology Services segment.

DISCLOSURE OF OTHER STATUTORY INFORMATION:

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The Company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period.
3. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
4. The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

5. Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
7. The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
8. The Company has one wholly owned Subsidiary and has complied with the number of layers for number of layers for its holding in downstream companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
9. The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
10. The company is not having any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

ANNEXURE –VI
Statement of Accounting & Other Ratios, As per SEBI ICDR

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|------------------|------------------|------------------|
| Total Revenue (A) | 151.69 | 105.12 | 2.00 |
| Net Profit as Restated (B) | 127.87 | (6.81) | (8.96) |
| Add: Depreciation | - | - | - |
| Add: Interest on Loan | - | - | - |
| Add: Income Tax | 9.23 | - | - |
| EBITDA (C) | 137.10 | (6.81) | (8.96) |
| EBITDA Margin (in %) (C/A) | 90.38% | -6.48% | -448.09% |
| Net Worth as Restated (D) | 1,884.36 | 181.49 | 188.31 |
| Return on Net worth (in %) as Restated (B/D) | 6.79% | -3.75% | -4.76% |
| Equity Share at the end of year/period (in Nos.) (E) | 86,50,000 | 26,50,000 | 26,50,000 |
| Weighted No. of Equity Shares (F) | 37,67,808 | 26,50,000 | 26,50,000 |
| Earnings per Equity Share as Restated | | | |
| - Basic | 3.39 | (0.26) | (0.34) |
| - Diluted | 1.30 | (0.26) | (0.34) |
| Net Asset Value per Equity share as Restated | 21.78 | 6.85 | 7.11 |
| Note:- | | | |
| EBITDA Margin = EBITDA/Total Revenues | | | |
| Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year | | | |
| Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended. | | | |
| Companies (Accounting Standards) Rules 2006, as amended. | | | |
| Return on Net worth (%) = Restated Profit after taxation / Net worth x 100 | | | |
| Net Worth = Equity Share Capital + Reserve and Surplus (including P&L surplus) - Revaluation Reserve, If any | | | |
| Net asset value/Book value per share (₹) = Net worth / No. of equity shares outstanding at the end of FY | | | |
| The Company does not have any revaluation reserves or extra-ordinary items. | | | |
| The figures disclosed above are based on the Restated Financial Statements of the Company | | | |

Statement of Other Accounting Ratios, as per Companies Act, 2013

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|----------------------------------|------------|------------|------------|
| Current Ratio | 12.38 | 9.58 | 12.01 |
| Debt-Equity Ratio | - | - | - |
| Debt Service Coverage Ratio | - | - | - |
| Return on Equity Ratio | 0.07 | (0.04) | (0.05) |
| Inventory Turnover Ratio | - | - | - |
| Trade Receivables Turnover Ratio | 0.31 | 1.19 | - |
| Trade Payables Turnover Ratio | - | - | - |
| Net Capital Turnover Ratio | 0.16 | 1.04 | - |
| Net Profit Ratio | 2.55 | (0.07) | - |
| Return on Capital Employed | 0.07 | (0.04) | (0.05) |
| Return on investment | - | - | - |

Note: As per the certificate received from the M/s. Anant Rao & Mallik, Chartered Accountants dated January 19, 2023, the basic and diluted earnings per share (EPS) for Financial year ended March 31, 2022 stands corrected to 3.39 and 1.30 respectively.

ANNEXURE –VII
Statement of Capitalization, As Restated

| Particulars | Pre-Issue | Post Issue* |
|--|-----------------|-----------------------------|
| | 31-03-2022 | |
| Debt: | | |
| Short Term Debt | - | - |
| Long Term Debt | - | - |
| Total Debt | - | - |
| Shareholders Funds: | | |
| Equity Share Capital | 865.00 | 1,816.00 [#] |
| Reserves and Surplus | 944.36 | 2,388.77 [#] |
| Less: Misc. Expenditure | - | - |
| Total Shareholders' Funds | 1,809.36 | 4,204.77[#] |
| Long Term Debt/ Shareholders' Funds | - | - |
| Total Debt / Shareholders Fund | - | - |

* Assuming Full Allotment of Rights equity shares

As per the Certificate received from M/s. Anant Rao & Mallik, Chartered Accountants dated January 19, 2023

ANNEXURE –VIII
Statement of Tax Shelter, As Restated

| Particulars | As At | | |
|--|---------------|-------------------|-------------------|
| | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Profit Before Tax as per books of accounts (A) | 137.10 | (6.81) | (8.96) |
| -- Normal Tax rate | 26.00% | 26.00% | 26.00% |
| -- Minimum Alternative Tax rate | 15.60% | 15.60% | 19.24% |
| Permanent Differences: | | | |
| Other adjustments | - | - | - |
| Prior Period Item | | | |
| Donation Disallowances | - | - | - |
| Total (B) | - | - | - |
| Timing Differences: | | | |
| Depreciation as per Books of Accounts | - | - | - |
| Depreciation as per Income Tax | - | - | - |
| Difference between tax depreciation and book depreciation | - | - | - |
| Other adjustments | - | - | - |
| Foreign income included in the statement | - | - | - |
| Total (C) | - | - | - |
| Net Adjustments (D = B+C) | - | - | - |
| Total Income (E = A+D) | 137.10 | (6.81) | (8.96) |
| Brought forward losses set off (Depreciation) | (83.51) | - | - |
| Tax effect on the above (F) | - | - | - |
| Taxable Income/ (Loss) for the year/period (E+F) | 53.59 | (6.81) | (8.96) |
| Tax Payable for the year | - | - | - |
| Tax payable as per MAT | 9.23 | - | - |
| Tax Expense recognised | 7.13 | - | - |
| Tax Payable as per normal rates or MAT (whichever is higher) | MAT | Income Tax | Income Tax |

ANNEXURE –IX
Statement of Related Parties & Transactions

The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

| Name of the Key Managerial Personnel/Entity | Relationship |
|---|----------------------------------|
| Mr. Y.RAMESH REDDY | Director/KMP |
| Mr. SREENIVASA SREEKANTH UPPULURI | Director/KMP |
| EDVENSWA TECH INC, USA | Wholly owned Subsidiary (100%) |
| EDVENSWA TECH PRIVATE LIMITED | Company Promoted by our Promoter |

Transactions with Related Parties:
(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---------------------------------|------------|------------|------------|
| Remuneration paid to Directors | NIL | NIL | NIL |
| Sale with related parties | NIL | NIL | NIL |
| Purchase with related parties | NIL | NIL | NIL |
| Unsecured Loans Received/(Paid) | NIL | NIL | NIL |
| Investment in Group Entities | 1,500.00 | NIL | NIL |

ANNEXURE –X
Statement of Dividends
(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|----------------------------|------------|------------|------------|
| No Dividend paid till date | N/A | N/A | N/A |

ANNEXURE –XI
Statement of Contingent Liabilities & Commitment:
(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|------------|------------|------------|
| Contingent Liabilities | | | |
| Claims against the company not acknowledged as debt | NIL | NIL | NIL |
| Corporate Guarantees Given | NIL | NIL | NIL |
| Bank Guarantees Given | NIL | NIL | NIL |
| Other money for which the company is contingently liable | NIL | NIL | NIL |
| Commitments | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | NIL | NIL | NIL |
| Other commitments (specify nature). | NIL | NIL | NIL |

7. Material Adjustments
In Profit and Loss Account

| Particulars | For the FY ended (Rs. In Lakhs) | | |
|--|---------------------------------|---------------|---------------|
| | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Profit After Tax as per Books of Accounts | 127.87 | (6.81) | (8.96) |
| Adjustment for provision of Depreciation | - | - | - |
| Adjustment for provision of Income Tax | 2.11 | - | - |
| Adjustment for provision of Deferred Tax | - | - | - |
| Profit After Tax as per Restated | 125.76 | (6.81) | (8.96) |

The impact of the above has been suitably incorporated in the restated balance sheet.

Material Regrouping

| Particulars | For the FY ended (Rs. In lakhs) | | |
|---|---------------------------------|----------------|----------------|
| | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Reserve & Surplus as per Books of Accounts | 46.47 | (83.51) | (76.69) |
| Adjustment in Profit & Loss Accounts | (2.11) | - | - |
| Adjustment in opening Balance | - | - | - |
| Reserve & Surplus as per Restated | 44.36 | (83.51) | (76.69) |
| Property, Plant and Equipment as per Books of Accounts | - | - | - |
| Adjustment for provision of Depreciation | - | - | - |
| Adjustment for Regrouping with Non-Current Items | - | - | - |
| Fixed Assets as per Restated | - | - | - |
| Deferred Tax Assets as per Books of Accounts | - | - | - |
| Adjustment for provision of Deferred Tax | - | - | - |
| Adjustment in opening Balance | - | - | - |
| Deferred Tax Assets as per Restated | - | - | - |

4. Restated Consolidated Financial Statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED
CONSOLIDATED FINANCIAL INFORMATION**

The Board of Directors
EDVENSWA ENTERPRISES LIMITED
(Formerly KLK Electrical Limited)

Sirs,

1. We have examined the attached Restated Consolidated Ind AS Financial Information of EDVENSWA ENTERPRISES LIMITED (Formerly KLK Electrical Limited) (the "Company" or the "Issuer") and EDVENSWA TECH INC., its wholly owned subsidiary, (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2022, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the year ended March 31, 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 17-12-2022 for the purpose of inclusion in the Draft Letter of Offer and Letter of Offer (hereinafter referred to as 'Offer Documents') prepared by the Company in connection with its proposed Rights Issue comprising of fresh issue of equity shares of face value of Rs. 10/- each and prepared in terms of the requirements of :
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act") ;
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") ; and
 - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Ind AS Financial Information for the purpose of inclusion in the Offer Documents to be filed with BSE Limited and the Registrar of Companies, Tamilnadu, in connection with the proposed Rights Issue. The responsibility of the Board of Directors of the company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Ind AS Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Consolidated Ind AS Financial Information taking into consideration :
 - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter 03-11-2022 in connection with the proposed Rights Issue of the shares of the company;
 - b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI ;
 - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Ind AS Financial Information ; and
 - d. The requirements of Section 26 of the Act and the ICDR Regulations.
 - e. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed rights Issue.

4. These Restated Consolidated Ind AS Financial Information have been compiled by the management from :
- a. Audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2022 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 08-04-2022.

5. For the purpose of our examination, we have relied on :

- a. Auditors’ reports issued by us dated 08-04-2022 on the Consolidated Ind AS Financial Statements of the Group for the year ended 31st March, 2022 as referred in Paragraph 4 above ; and

6. The Audit Reports on the Consolidated Ind AS Financial Statements issued by us were modified and included following matter(s) giving rise to modifications on the financial statements for the years ended March 31, 2022 :

Current Tax Expenses – additional liability of Rs. 2.11 Lakhs identified while filing the Return of Income for FY 2021-22. Total Current Tax Liability on consolidated basis is Rs. 21.86 Lakhs when compared to the Provision made of Rs. 19.75 Lakhs.

7. As indicated in our audit reports referred above :

- a) We did not audit the financial statements of its wholly owned subsidiary, M/s. Edvenswa Tech Inc., USA included in the Restated Consolidated Ind AS Financial Statements of the company included in the Group whose share of total assets and total revenues included in the consolidated financial statements, for the relevant years is tabulated below, which were unaudited and whose reports have been furnished to us by the Company’s management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the management / other auditors :

| (Rs in Lacs) | |
|----------------|----------------------------------|
| Particulars | For the year ended March 31,2022 |
| Total Assets | 39.63 |
| Total Revenues | 3737.51 |

Our opinion on the Consolidated Ind AS Financial Statements is not modified in respect of these matters.

8. These Restated Consolidated Ind AS Financial Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. We have not audited any financial statements of the Group for any period subsequent to March 31, 2022.

Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group for any period subsequent to March 31, 2022.

10. The Restated Consolidated Ind AS Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Consolidated Financial Statements mentioned in paragraph 4 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Letter of Offer or Letter of Offer to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies in connection with the proposed Rights Issue of Equity Shares. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Regn. No. 006266S

Sd/-

V. ANANT RAO
Partner
Membership No. 022644

Date : 17/12/2022
UDIN : 22022644BFQPMJ4313

ANNEXURE - I
STATEMENT OF CONSOLIDATED ASSETS & LIABILITIES, AS RESTATED

| Particulars | Note No. | As on | | |
|---|----------|-----------------|------------|------------|
| | | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| (Rs. In Lakhs) | | | | |
| II. ASSETS | | | | |
| (1) Non-Current Assets : | | | | |
| a) Property, Plant & Equipment : | | | | |
| (i) Tangible Assets | | 39.63 | - | - |
| (ii) Intangible Assets | I.12 | 191.68 | - | - |
| (iii) Capital Work-In-Progress | | - | - | - |
| (iv) Intangible assets under development | | | | |
| Total Property, Plant & Equipment | | 231.31 | - | - |
| b) Non - Current Investments | I.13 | 5.35 | - | - |
| c) Deferred Tax Assets (Net) | I.4 | - | - | - |
| d) Long Term Loans and Advances | I.14 | - | - | - |
| e) Other Non- current Assets | I.15 | - | - | - |
| Total Non Current Assets | | 5.35 | - | - |
| (2) Current Assets : | | | | |
| a) Current Investments | I.16 | - | - | - |
| b) Inventories | I.17 | - | - | - |
| c) Trade Receivables | I.18 | 1,085.62 | - | - |
| d) Cash and Cash Equivalents balances | I.19 | 121.70 | - | - |
| e) Short Term Loans and advances | I.20 | 103.42 | - | - |
| f) Other Current Assets | I.21 | 923.21 | - | - |
| Total Current Assets | | 2,233.95 | - | - |
| Total Assets | | 2,470.61 | - | - |
| I. EQUITY & LIABILITIES | | | | |
| (1) Shareholders Fund : | | | | |
| a) Share Capital | I.1 | 865.00 | - | - |
| b) Other Equity | I.2 | 944.36 | - | - |
| c) Money received against Share Warrants | | 75.00 | - | - |
| Total Shareholder's Fund | | 1,884.36 | - | - |
| (2) Share Application Money pending allotment | | - | - | - |
| (3) Non-Current Liabilities : | | | | |
| a) Long-Term Borrowings | I.3 | - | - | - |
| b) Deferred Tax Liability (Net) | I.4 | - | - | - |
| c) Other Long Term Liabilities | I.5 | 124.32 | - | - |
| d) Long Term provisions | I.6 | - | - | - |
| Total Non Current Liabilities | | 124.32 | - | - |
| (4) Current Liabilities : | | | | |
| a) Short Term Borrowings | I.7 | - | - | - |
| b) Current Maturity of Long Term Borrowings | I.8 | - | - | - |
| c) Trade Payables | | - | - | - |
| - total outstanding dues of MSME; and | I.9 | | | |
| - total outstanding dues of creditors other than MSME | | | | |
| d) Other Current Liabilities | I.10 | 452.69 | - | - |
| e) Short Term Provisions | I.11 | 9.23 | - | - |
| Total Current Liabilities | | 461.93 | - | - |
| Total Equity & Liability | | 2,470.61 | - | - |

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For ANANT RAO & MALLIK
 Chartered Accountants
 Firm Reg. No: 006266S
 Sd/-
 CA V. ANANT RAO
 Partner
 Membership No: 022644
 Place: Hyderabad
 Date: 17-12-2022
 UDIN No: 22022644BFQPMJ4313

For and Behalf of Board
EDVENSWA ENTERPRISES LIMITED
 (Formerly KLK Electrical Limited)
 Sd/-
 S. SREENIVASA UPPULURI
 Director
 DIN No: 01275332 DIN No: 01483626

Sd/-
 Y.RAMESH REDDY
 Director

Sd/-
 U.KRISHNA MURTHY
 (Chief Financial Officer)

Sd/-
 HIMABINDU DULIPALA
 (Company Secretary)
 (Membership No: 35703)

ANNEXURE - II
STATEMENT OF CONSOLIDATED PROFIT & LOSS, AS RESTATED

| Particulars | Note No. | For the Year ended on | | |
|--|----------|-----------------------|------------|-----------------------|
| | | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Income | | | | (Rs. In Lakhs) |
| Revenue from Operations | II.1 | 3,787.75 | - | - |
| Other Income | II.2 | 118.65 | - | - |
| Total Revenue | | 3,906.40 | - | - |
| Expenditure | | | | |
| Cost of Material Consumed | II.3 | - | - | - |
| Purchase of Stock-in-Trade | II.4 | - | - | - |
| Change in Inventories | II.5 | - | - | - |
| Employee Benefit Expenses | II.6 | 3.65 | - | - |
| Other Expenses | II.7 | 3,485.87 | - | - |
| Total Expenses | | 3,489.52 | - | - |
| Profit Before Interest, Depreciation and Tax | | 416.88 | - | - |
| Depreciation & Amortisation Expenses | I.12 | 21.56 | - | - |
| Profit Before Interest and Tax | | 395.32 | - | - |
| Financial Charges | II.8 | - | - | - |
| Profit before Taxation | | 395.32 | - | - |
| Provision for Taxation | II.9 | 21.86 | - | - |
| Provision for Deferred Tax | | - | - | - |
| Total | | 21.86 | - | - |
| Profit After Tax but Before Extra ordinary Items | | 373.46 | - | - |
| Extraordinary Items | | - | - | - |
| Profit Attributable to Minority Shareholders | | - | - | - |
| Net Profit after Adjustments | | 373.46 | - | - |
| Other Comprehensive Income : | | | | |
| a) Re-measurement Gain / (Loss) on Employee Defined Benefit Plan | | - | - | - |
| b) Others | | - | - | - |
| Other Comprehensive Income Total | | - | - | - |
| Total Comprehensive Income for the year | | 373.46 | - | - |
| Earnings Per Share (of Rs. 10/- each) : | | | | |
| a) Basic (in Rs.) | | 9.91 | - | - |
| b) Diluted (in Rs.) | | 3.79 | - | - |

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For ANANT RAO & MALLIK
 Chartered Accountants
 Firm Reg. No: 006266S
 Sd/-
 CA V. ANANT RAO
 Partner
 Membership No: 022644
 Place: Hyderabad
 Date: 17-12-2022
 UDIN No: 22022644BFQPMJ4313

For and Behalf of Board
 EDVENSWA ENTERPRISES LIMITED
 (Formerly KLK Electrical Limited)

Sd/-
 S. SREENIVASA UPPULURI
 Director
 DIN No: 01275332 DIN No: 01483626

Sd/-
 Y.RAMESH REDDY
 Director

Sd/-
 U.KRISHNA MURTHY
 (Chief Financial Officer)

Sd/-
 HIMABINDU DULIPALA
 (Company Secretary)
 (Membership No: 35703)

* As per the Certificate received from M/s. Anant Rao & Mallik, Chartered Accountants dated January 19, 2023, the Basic and Diluted Earnings per Share stands corrected to ₹9.91 and ₹3.79 respectively.

ANNEXURE - III
STATEMENT OF CONSOLIDATED CASH FLOW, AS RESTATED

| PARTICULARS | For the Year ended on | | |
|---|-----------------------|------------|------------|
| | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit Before Tax as per Profit & Loss A/c | 373.46 | - | - |
| Adjusted for : | | | |
| a. Depreciation | 21.56 | - | - |
| b. Interest Expenses & Finance Cost | - | - | - |
| c. Other Adjustments for Opening Balances in Holding Company | (247.42) | - | - |
| d. Interest & Other Income | (118.65) | - | - |
| Operating profit before working capital changes | 28.95 | | |
| Adjusted for : | | | |
| a. Decrease /(Increase) in Inventories | - | - | - |
| b. Decrease / (Increase) in Trade Receivable | (998.09) | - | - |
| b. Decrease / (Increase) in Current Investments | - | - | - |
| c. (Increase) / Decrease in Short Term Loans and Advances | (78.87) | - | - |
| d. Increase / (Decrease) in Trade Payables | - | - | - |
| e. Increase / (Decrease) in Short Term Provisions | 9.23 | - | - |
| f. Increase / (Decrease) in Other Current Liabilities | 440.97 | - | - |
| g. (Increase) / Decrease in Other Current Assets | (923.21) | - | - |
| Cash generated from operations | | | |
| Net Income Tax (Paid)/Refund | (19.75) | - | - |
| Net Cash Generated/(Used) From Operating Activities (A) | (1,540.76) | | |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| a. (Purchase) Sale of Fixed Assets | (175.68) | - | - |
| b. (Purchase) / Sale of Non-Current Investment | 20.00 | - | - |
| c. (Increase) / Decrease in Long Term Loans and Advances | - | - | - |
| d. Increase / (Decrease) in Long Term Provisions | - | - | - |
| e. (Increase) / Decrease in Other Non Current Assets | - | - | - |
| f. (Increase) in Misc. Expenses | - | - | - |
| g. Interest & Other Income | 118.65 | - | - |
| Net Cash Generated/(Used) From Investing Activities (B) | (37.03) | | |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| a. Interest & Finance Cost | - | - | - |
| b. Proceeds from Share issued including Premium / Warrants | 1,575.00 | - | - |
| c. (Repayments) / proceeds of Long Term Borrowings | 124.32 | - | - |
| d. (Repayments) / proceeds of Short Term Borrowings | - | - | - |
| Net Cash Generated/(Used) From Financing Activities (C) | 1,699.32 | | |
| Net Increase / (Decrease) in cash and cash equivalents | 121.53 | | |
| Cash and cash equivalents at the beginning of the year | 0.16 | | |
| Cash and cash equivalents at the end of the year | 121.70 | | |

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year
- The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For ANANT RAO & MALLIK
 Chartered Accountants
 Firm Reg. No: 006266S
 Sd/-
 CA V. ANANT RAO
 Partner
 Membership No: 022644
 Place: Hyderabad
 Date: 17-12-2022
 UDIN No: 22022644BFQPMJ4313

For and Behalf of Board
EDVENSWA ENTERPRISES LIMITED
 (Formerly KLK Electrical Limited)
 Sd/-
 S. SREENIVASA UPPULURI
 Director
 DIN No: 01275332 DIN No: 01483626

Sd/-
 Y.RAMESH REDDY
 Director

Sd/-
 U.KRISHNA MURTHY
 (Chief Financial Officer)

Sd/-
 HIMABINDU DULIPALA
 (Company Secretary)
 (Membership No: 35703)

Annexure 1.2
CONSOLIDATED RESTATED STATEMENT OF CHANGES IN EQUITY :
A. Equity Share Capital :

(Rs. Lacs)

| Particulars | Amount |
|---|--------|
| Balance as on March 31, 2021 | 265.00 |
| Changes in Equity Share Capital during the year | 600.00 |
| Balance as on March 31, 2022 | 865.00 |

B. Other Equity :

(Rs. In Lacs)

| Particulars | Reserves and Surplus | | | | Total |
|---|----------------------|------------------|-------------------|-------------------------------------|----------|
| | Securities Premium | General Reserves | Retained Earnings | Items of Other Comprehensive Income | |
| Balance as on March 31, 2021 | - | - | (83.51) | - | (83.51) |
| Net Profit / (Loss) for the year (Total Comprehensive Income) | - | - | 373.46 | - | 373.46 |
| Other Comprehensive Income | - | - | - | - | - |
| US Subsidiary Consolidation Adjustment | - | - | (245.59) | - | (245.59) |
| Securities Premium received during the year | 900.00 | - | - | - | 900.00 |
| Balance as on March 31, 2022 | 900.00 | - | 44.36 | - | 944.36 |

Note : US Subsidiary Consolidation Adjustment represents a write off of INR 245,58,891 on the Accounts Receivable and Other Current Assets of the US Subsidiary as on March 31, 2022.

Annexure – I.1
Restated Statement of Share Capital

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|------------|------------|------------|
| Authorised Capital | | | |
| 100,00,000 Equity shares of ₹10/- each | 1,000.00 | - | - |
| Issued, Subscribed & Fully Paid-up | | | |
| 86,50,000 Equity shares of ₹10/- each | 865.00 | - | - |

Note: The Company has only one class of equity shares of par value ₹10/- each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding.

Reconciliation of No. of Shares Outstanding at the end of the year
(No. of Equity Shares)

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|------------------|------------|------------|
| Shares outstanding at the beginning of the year | 26,50,000 | - | - |
| Shares issued during the year | 60,00,000 | - | - |
| Bonus Issued during the year | - | - | - |
| Share outstanding at the end of the year | 86,50,000 | - | - |

During the FY 2021-22, the Company has issued 60,00,000 Equity shares on Preferential Basis of Face Value of Rs. 10/- each at an issue price of Rs. 25/- to Mr. Sreenivasa Sreekanth Uppuluri in lieu of purchase of 60,00,000 Common Stock of Edvenswa Tech INC aggregating to Rs. 15,00,00,000 (Rupees Fifteen Crores Only) determined in accordance with the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 and got Shareholders consent for the Same Vide EGM dated 2nd December 2021.

The Company got the shareholders' approval for issue of 12,00,000 (Twelve Lakh only) Equity share Warrants ("Warrants") at a price of Rs.25/- per Warrant with a right to the warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of Rs.10/- each of the Company ("Equity Shares") at a premium of Rs.15/- per share for each warrant within a period of 18 (Eighteen) months from the date of allotment of the Warrants, aggregating to Rs. 3,00,00,000/- (Rupees Three Crores Only) to Yerradoddi Ramesh Reddy, ("Proposed Allottee"), for cash determined in accordance with the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 as on the Relevant Date on such other terms and conditions as may be approved by the Board.

Details of Shareholding more than 5% of the aggregate shares in the company

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------------------------------|------------|------------|------------|
| RAJENDRA NANIWADEKAR | | | |
| No. of Shares | 4,16,100 | - | - |
| % Holding | 4.81% | - | - |
| SRI RAMACHANDRA DURGA PRASAD | | | |
| No. of Shares | 2,05,000 | - | - |
| % Holding | 2.37% | - | - |
| G HANUMANTHA RAO | | | |
| No. of Shares | 1,57,050 | - | - |
| % Holding | 1.82% | - | - |
| MAYUR N DHAROD | | | |
| No. of Shares | 3,12,000 | - | - |
| % Holding | 3.61% | - | - |
| UDAY KRANTI INVESTMENTS LTD | | | |
| No. of Shares | 3,50,000 | - | - |
| % Holding | 4.05% | - | - |
| SREENIVASA SREEKANTH UPPULURI | | | |
| No. of Shares | 60,00,000 | - | - |
| % Holding | 69.36% | - | - |

Details of Shareholding of Promoters (P) & Promoer Group (PG)

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|------------|------------|------------|
| SREENIVASA SREEKANTH UPPULURI (P) | | | |
| No. of Shares | 60,00,000 | - | - |
| % Holding | 69.36% | - | - |
| % change during the year | 100.00% | - | - |
| LAVAKUMAR V (P) | | | |
| No. of Shares | 96,549 | - | - |
| % Holding | 1.12% | - | - |
| % change during the year | 100.00% | - | - |
| DEVI LAVAKUMAR (P) | | | |
| No. of Shares | 62,300 | - | - |
| % Holding | 0.72% | - | - |
| % change during the year | 100.00% | - | - |
| EDVENSWA TECH PRIVATE LIMITED (PG) | | | |
| No. of Shares | 2,770 | - | - |
| % Holding | 0.03% | - | - |
| % change during the year | 100.00% | - | - |
| KARTHIK L (P) | | | |
| No. of Shares | 400 | - | - |
| % Holding | 0.0046% | - | - |
| % change during the year | 100.00% | - | - |

Note: Only current promoters shareholding is shown in previous years

Annexure – I.2

Restated Statement of Changes in Equity
 (See SOCE Sheet)

Annexure – I.3
Restated Statement of Long Term Borrowings

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------------------------------|------------|------------|------------|
| Secured Loans from Bank/FIs | - | - | - |
| Unsecured Loans from Bank/FIs | - | - | - |
| Unsecured Loans from Related Parties | - | - | - |
| Unsecured Loans from Others | - | - | - |
| Total Long Term Borrowings | - | - | - |

Note: There were no rescheduling or defaults in the repayment of loan taken by the Company

Annexure – I.4
Restated Statement of Deferred Tax Liabilities/Assets

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|------------|------------|------------|
| Deferred Tax Assets/Liabilities Provision | | | |
| WDV As Per Companies Act 2013 | - | - | - |
| WDV As Per Income tax Act | - | - | - |
| Difference in WDV | - | - | - |
| (DTA)/DTL | - | - | - |
| | | | |
| Deferred Tax Assets Provision | | | |
| Opening Balance of (DTA)/DTL | - | - | - |
| Add: Provision for the year | - | - | - |
| Closing Balance of (DTA)/DTL | - | - | - |

Annexure – I.5
Restated Statement of Other Long Term Borrowings

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|-------------------------------|---------------|------------|------------|
| Other Long Term Liabilities | 124.32 | - | - |
| Please specify nature/details | - | - | - |
| Total | 124.32 | - | - |

Annexure – I.6
Restated Statement of Long Term Provisions

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.7
Restated Statement of Short Term Borrowings

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------------------------------|------------|------------|------------|
| Secured Loans from Bank/FIs | - | - | - |
| Unsecured Loans from Bank/FIs | - | - | - |
| Unsecured Loans from Related Parties | - | - | - |
| Unsecured Loans from Others | - | - | - |
| Total Short Term Borrowings | - | - | - |

Please insert notes on Terms of Loan

Annexure – I.8
Restated Statement of Current Maturity of Long Term Borrowing

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|------------|------------|------------|
| Total of Current Maturity of Long Term Borrowing | - | - | - |

Annexure – I.9
Restated Statement of Trade Payables

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|------------|------------|------------|
| Outstanding Dues for MSME Creditors | - | - | - |
| Outstanding Dues for Other than MSME Creditors | - | - | - |
| Disputed Creditors, if any | - | - | - |
| Total | - | - | - |

Annexure – I.10
Restated Statement of Other Current Liabilities

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|-----------------------------|---------------|------------|------------|
| Short Term Advance Received | 3.64 | - | - |
| Creditors for Expenses | 208.55 | - | - |
| Other Expenses Payable | 240.51 | - | - |
| Total | 452.69 | - | - |

Annexure – I.11
Restated Statement of Short Term Provision

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------------|-------------|------------|------------|
| Current Income Tax | 9.23 | - | - |
| Total | 9.23 | - | - |

Annexure – I.12
Restated Statement of Property, Plant & Equipment

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|---------------|------------|------------|
| Tangible Assets : | | | |
| <i>Land & Building</i> | - | - | - |
| <i>Plant & Machinery</i> | - | - | - |
| <i>Furniture & Fittings</i> | - | - | - |
| <i>Computers, Printers & Other Accessories</i> | - | - | - |
| Gross Block - Opening Balance | - | - | - |
| Addition/Sale during the year | 44.94 | - | - |
| Gross Block - Closing Balance | 44.94 | - | - |
| Accumulated Depreciation - Opening Balance | - | - | - |
| Depreciation during the year | 5.32 | - | - |
| Accumulated Depreciation - Closing Balance | 5.32 | - | - |
| <i>Net Block</i> | 39.63 | - | - |
| Total Net Block of Tangible Assets | 39.63 | - | - |
| B) Intangible Assets - Technical Knowhow / Goodwill | - | - | - |
| Gross Block - Opening Balance | 55.63 | - | - |
| Addition/Sale during the year (Goodwill) | 136.05 | - | - |
| Gross Block - Closing Balance | 191.68 | - | - |
| Accumulated Depreciation - Opening Balance | - | - | - |
| Depreciation during the year | - | - | - |
| Accumulated Depreciation - Closing Balance | - | - | - |
| <i>Net Block</i> | 191.68 | - | - |
| C) Capital Work-In-Progress | - | - | - |

Annexure – I.13
Restated Statement of Non - current Investments

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|-------------|------------|------------|
| Investments in Equity Shares | 5.35 | - | - |
| EDVENSWA TECH INC, USA (60,00,000 Equity Shares) | - | - | - |
| Total | 5.35 | - | - |

Annexure – I.14
Restated Statement of Long Term Loans & Advances

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.15
Restated Statement of Other Non-current Assets

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.16
Restated Statement of Current Investments

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.17
Restated Statement of Inventories

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure – I.18
Restated Statement of Trade Receivables

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|-----------------|------------|------------|
| Undisputed Trade receivables – considered good | 1,085.62 | - | - |
| Undisputed Trade receivables – considered doubtful | - | - | - |
| Disputed Trade receivables – considered good | - | - | - |
| Disputed Trade receivables – considered doubtful | - | - | - |
| Total | 1,085.62 | - | - |

Note: Trade Receivable Ageing schedule

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------------|-----------------|------------|------------|
| Less Than 6 Months | 923.30 | - | - |
| 6 Months - 1 Years | 74.79 | - | - |
| 1 - 2 Years | 87.53 | - | - |
| 2 - 3 Years | - | - | - |
| More Than 3 Years | - | - | - |
| Total | 1,085.62 | - | - |

Annexure – I.19
Restated Statement of Cash and Cash Equivalents

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|---------------|------------|------------|
| Cash In Hand | 0.03 | - | - |
| Balance With Bank (in Current Accounts) | 75.09 | - | - |
| Fixed Deposit in Bank | | | |
| Subsidiary Company Cash and Cash Equivalents | 46.59 | - | - |
| Total | 121.70 | - | - |

Annexure – I.20
Restated Statement of Short Term Loans and Advances

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|---------------|------------|------------|
| Loans and Advances to others Unsecured, Considered good | | | |
| Advances To Others | 8.42 | - | - |
| Advances to Suppliers | 95.00 | - | - |
| Total | 103.42 | - | - |

Annexure – I.21
Restated Statement of Other Current Assets

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|----------------------|---------------|------------|------------|
| Other Current Assets | 923.21 | - | - |
| Total | 923.21 | - | - |

Annexure –II.1
Restated Statement of Revenue from operations

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|------------|------------|------------|
| Sales & Services | | | |
| Sale from Service Activities | - | - | - |
| - Software Services income - Holding & Subsidiary | 3,787.75 | - | - |
| - Export Sales | - | - | - |
| Total Sale from Service Activities | 3,787.75 | - | - |
| Total Revenue from Operations | 3,787.75 | - | - |

Annexure –II.2
Restated Statement of Revenue from Other Income

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---------------------------------|---------------|------------|------------|
| Dividend received on Investment | 1.20 | - | - |
| Profit On Sale Of Equity Shares | 100.26 | - | - |
| Other Income of Subsidiary | 17.19 | - | - |
| Please specify nature/details | - | - | - |
| Total | 118.65 | - | - |

Annexure –II.3
Restated Statement of Cost of Materials Consumed

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|----------------------------------|------------|------------|------------|
| Cost of Material Consumed | - | - | - |

Annexure –II.4
Restated Statement of Purchase of Stock-In-Trade

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Total | - | - | - |

Annexure –II.5
Restated Statement of Change in Inventory

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|------------|------------|------------|
| Opening Balance: | - | - | - |
| Closing Balance: | - | - | - |
| Net (Increase)/Decrease in Stocks | - | - | - |

Annexure –II.6
Restated Statement of Employees Benefit Expenses

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|-------------------------|-------------|------------|------------|
| Directors Remuneration | - | - | - |
| Salaries, Wages & Bonus | 3.65 | - | - |
| Total | 3.65 | - | - |

Annexure –II.7
Restated Statement of Other Expenses

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|-----------------|------------|------------|
| Direct Manufacturing Expenses | - | - | - |
| Administrative & Other Expenses | | | |
| Rent | 1.20 | - | - |
| Legal & Consultancy Charges including listing/depository/registrar fees | 6.21 | - | - |
| Travelling & Conveyance Expenses | - | - | - |
| Postage & Telephone Charges | - | - | - |
| Advertisement Charges | 0.53 | - | - |
| Printing & Stationery | 0.25 | - | - |
| Auditors remuneration | 0.28 | - | - |
| Other Expenses | 2.45 | - | - |
| Bank Charges | 0.02 | - | - |
| Administrative Expenses Related to US Subsidiary Company | 3,474.93 | - | - |
| Total of Administrative & Other Expenses | 3,485.87 | - | - |
| Total Other Expenses | 3,485.87 | - | - |

Annexure –II.8
Restated Statement of Financial Charges

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|-------------------|------------|------------|------------|
| Interest On Loans | - | - | - |
| Total | - | - | - |

Annexure –II.9
Restated Statement of Provision For Taxation

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|------------|
| Current Tax | 21.86 | - | - |
| Deferred Tax | - | - | - |

**NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 31-03-2022**

All amounts are Rs. in Lakhs unless otherwise stated

9. General Information

Edvenswa Enterprises Limited (the ‘Company’) (Formerly KLK Electrical Limited) is a Public Limited Company domiciled in India Incorporated on 18-04-1980 and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange, the Company has its registered office located at Chennai, Tamil Nadu, India. The Company along with its subsidiaries (‘the Group’), and jointly controlled entities is primarily engaged in the business of trading in Electrical components, Computers and Peripherals, Software Development, Software Consultancy etc. The following standards / amendments to standards have been issued and will be effective from 1st April 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- **Indian Accounting Standard (Ind AS) 103 – Business Combinations** – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date. Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.
- **Indian Accounting Standard (Ind AS) 109 – Financial Instruments** – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities
- **Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment** – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- **Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets** – Modifications in application of recognition and measurement principles relating to onerous contracts

10. Basis of Preparation

G. Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act as amended from time to time.

The financial statements were authorized for issue by the Company’s Board of Directors on 8th April 2022 Details of the Company’s accounting policies are included in Note 3.

H. Principles of Consolidation and Equity Accounting :

Edvenswa Enterprises Limited consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled and its subsidiaries as disclosed below.

1. **Subsidiary** : Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Intercompany transactions, balances, and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

2. **Equity Method** : Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
3. Edvenswa Enterprises Limited has only one wholly owned foreign subsidiary **Edvenswa Tech Inc.** a US based technology development company.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described.

I. Functional and presentation currency

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is the Company's functional and presentation currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

J. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

1. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least Twelve months after the reporting period.

2. All other assets are classified as non-current

3. A liability is treated as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

4. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

K. Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values as per the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI) for the following:

- a. Certain financial assets and liabilities (including derivative instruments) and commitments that are measured at fair value; and
- b. Defined benefit plans — plan assets measured at fair value.

L. Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions, and judgement, which have significant effect on the amounts recognized in the financial statement :

Property, plant, and equipment

External adviser or internal technical team assesses the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

Intangibles

Internal technical or user team assesses the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Insurance claims

Insurance claims are recognized when the Company has reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2022 is included when required

Allowances for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

M. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing service, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the notes

11. Significant Accounting Policies :

This note provides a list of the significant accounting policies adopted in the preparation of the Group financial statements.

3.1 Inventories :

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work- in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts.

NRV: Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.2 Foreign currency transactions and balances :

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions first qualifies for recognition. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI);and
- qualifying cash flow hedges to the extent that the hedges are effective.

1. **Monetary Item:** A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.
2. **Non-monetary item:** Non-monetary items that are measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as a part of the fair value gain or loss.

3. Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at Average Exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which incomes and expenses are translated at the dates of the transactions), and all resulting foreign exchange differences are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The results and financial position of foreign operation which have a functional currency similar to the Company are translated using the same principle enumerated in Note 3.ii above.

3.3 Revenue Recognition :

a. Sale of Goods :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods.

Revenue is recognisable to the extent of the amount that reflects the consideration (i.e. the transaction price) to which the Company is expected to be entitled in exchange for those goods or services excluding any amount received on behalf of third party (such as indirect taxes). The transaction price is determined on the basis of agreement entered into with the customer.

The Company satisfies the performance obligation and recognises revenue over time, if one of the criteria prescribed under Ind AS 115 - "Revenue from Contracts with Customers" is satisfied. If a performance obligation is not satisfied over time, then revenue is recognised at a point in time at which the performance obligation is satisfied.

The Company recognises revenue for performance obligation satisfied over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation. The Company would not be able to reasonably measure its progress towards complete satisfaction of a performance obligation if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In those circumstances, the Company recognises revenue only to the extent of cost incurred until it can reasonably measure outcome of the performance obligation.

b. Income from Services :

Revenue from service contracts are recognized net of GST, when all the following conditions are satisfied.

- The amount of revenue can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Company
- The stage of completion of transaction at the end of the reporting period can be measured reliably.
- The cost incurred for the transaction and the cost to complete the transaction can be measured reliably

Application of new accounting standards:

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The impact of the adoption of the standard on the financial statements of the Company is insignificant

c. Rent:

Rental Income is recognized on accrual basis in accordance with terms of respective rent agreements.

d. Interest:

- Interest income is recognized using effective interest method and subject to the following conditions
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The amount of revenue can be measured reliably.

e. Dividend:

Dividend income is recognized when the following conditions have been satisfied

- when the Company's right to receive payment is established.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The amount of dividend can be measured reliably.

f. Export Incentive:

Export incentive available under prevalent schemes are recognized in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization/ realization of such duty credit.

3.4 Income Taxes :

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax : Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

MAT : Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognized as a part of deferred tax assets. As deferred tax asset shall be recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

3.5 Leases :

As a lessee

Leases of property, plant and equipment where the Company, as a lessee, has substantially all the risks and rewards of ownership have been classified as finance leases. Finance leases are measured at the lower of the fair value of the leased property and the present value of the minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Minimum lease payment is allocated between reduction of the outstanding liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Accounting Standards issued effective from 01st April 2019:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases which is effective from 1st April 2019:

IND AS 116 Leases:

It will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. The Company is in process of evaluating the impact of the same.

3.6 Impairment of Assets :

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.7 Cash and Cash Equivalents :

For presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.8 Trade Receivables :

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment, if any. Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

3.9 Investments and other Financial Assets :

A. Classification

The Company classifies its financial assets in the following measurement categories:

- a. Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b. Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

B. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

1. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(i) Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(ii) Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other income/(expense). Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) Fair value through profit or loss:

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other income/(expense) in the period in which it arises. Interest income from these financial assets is included in other income.

2. Equity instruments

The Company measures all equity investments at fair value, except for investments forming part of interest in subsidiaries and joint ventures, which are measured at cost. Where the Company's management has elected to present

fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognized in other income/ (expense) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

C. Impairment of Financial Assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

D. Derecognition of financial assets

A financial asset is derecognized only when

- a. The Company has transferred the rights to receive cash flows from the financial asset or
- b. The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

E. Property, Plant and Equipment:

Freehold land and building are carried at Fair value. All other items of property, plant and equipment except freehold land and building are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Spare Parts: Spare parts are treated as capital assets in accordance with Ind AS when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of property, plant and equipment.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation: Depreciation methods, estimated useful lives and residual value Depreciation is calculated using the straight-line and written down value methods to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives have been determined based on Schedule II to the Companies Act, 2013, The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income / (expense).

F. Investment Properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that

future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment properties (other than land) are depreciated using the written down value method over their estimated useful lives. Investment properties have a useful life of 30 years. The useful lives have been determined based on Schedule II to the Companies Act, 2013.

G. Business Combinations & Intangible Assets :

Business Combinations: Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquire. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

Intangible Assets: The intangible asset includes technical know-how and computer software which are recorded at the cost of acquisition and are amortized over a period of five years or their legal / useful life whichever is less.

H. Goodwill :

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquire. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the Statement of Profit and Loss. Goodwill is measured at cost less accumulated impairment losses.

I. Research and development

Research and development expenditure that do not meet the criteria for recognition as intangible assets are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in the subsequent period.

J. Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

K. Borrowings:

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

L. Borrowing Costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

M. Provisions :

Provisions for legal claims, service warranties, volume discounts and returns are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

N. Employee Benefits :

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other financial liability in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- a. defined benefit plans such as gratuity and
- b. defined contribution plans such as provident fund
- c. Gratuity obligations

Defined Benefit Plans :

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plan

The Company pays provident fund to Employee Provident Fund Account as per Employees Provident Fund Act, 1952. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

3.10 Dividends :

Provision is made for any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.11 Earnings Per Share :

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

Profit attributable to owners of the Company

With weighted Average Number of Equity Shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- a. the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- b. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

12. Contingent Liabilities:

The Company does not have any Contingent Liabilities

13. Consolidation:

These Consolidated Financials comprise the financials of the following companies:

Edvenswa Enterprises Limited (Formerly KLK Electrical Limited) - Holding company;

Edvenswa Tech Inc., USA - Wholly owned Subsidiary.

Edvenswa Tech Inc., USA had become a wholly owned Subsidiary in January, 2022. The Company had prepared its first Consolidated Financial Statements for FY 2021-22. The figures for FY 2021-22 comprise the line items for both Holding and Subsidiary companies. For the previous FY 2020-21, the company does not have any subsidiary.

14. There were no employees drawing remuneration in excess of the limits laid down in Section 197 of the Companies Act, 2013.

15. Disclosures required under Section 22 of MSMED Act, 2006 under the Chapter on delayed payments to Micro and Small Enterprises:

FY 2021-22 – Nil;

FY 2020-21 – Nil;

FY 2019-20 - Nil

16. Foreign Exchange Inflow (in Holding Company) : Rs. 40,23,760/-.

17. Segment Reporting:

Based on 'the Management Approach', as defined in Ind AS 108, the Chief Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments.

Presently, from FY 2021-22, the company is engaged in Software Development and Information Technology Services, Software Consultancy, etc. which all fall under information Technology Services segment.

ANNEXURE –VI
Statement of Accounting & Other Ratios, As per SEBI ICDR

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---|------------------|--------------|--------------|
| Total Revenue (A) | 3,906.40 | - | - |
| Net Profit as Restated (B) | 373.46 | - | - |
| Add: Depreciation | 21.56 | - | - |
| Add: Interest on Loan | - | - | - |
| Add: Income Tax | 21.86 | - | - |
| EBITDA (C) | 416.88 | - | - |
| EBITDA Margin (in %) (C/A) | 10.67% | 0.00% | 0.00% |
| Net Worth as Restated (D) | 1,884.36 | - | - |
| Return on Net worth (in %) as Restated (B/D) | 19.82% | 0.00% | 0.00% |
| Equity Share at the end of year/period (in Nos.) (E) | 86,50,000 | - | - |
| Weighted No. of Equity Shares (F) | 37,67,808 | - | - |
| Earnings per Equity Share as Restated | | | |
| <i>Basic</i> | 9.91* | | |
| <i>Diluted</i> | 3.79* | | |
| Net Asset Value per Equity share as Restated | 21.78 | - | - |

Note:-

EBITDA Margin = EBITDA/Total Revenues

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

Companies (Accounting Standards) Rules 2006, as amended.

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net Worth = Equity Share Capital + Reserve and Surplus (including P&L surplus) - Revaluation Reserve, If any

Net asset value/Book value per share (₹) = Net worth / No. of equity shares outstanding at the end of FY

The Company does not have any revaluation reserves or extra-ordinary items.

The figures disclosed above are based on the Restated Financial Statements of the Company

* As per the Certificate received dated January 19, 2023 from M/s. Anant Rao & Mallik, Chartered Accountants, the Basic and Diluted Earnings per Share stands corrected to ₹9.91 and ₹3.79 respectively.

Statement of Other Accounting Ratios, as per Companies Act, 2013

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|----------------------------------|------------|------------|------------|
| Current Ratio | 4.84 | - | - |
| Debt-Equity Ratio | - | - | - |
| Debt Service Coverage Ratio | - | - | - |
| Return on Equity Ratio | 0.20 | - | - |
| Inventory Turnover Ratio | - | - | - |
| Trade Receivables turnover Ratio | 3.49 | - | - |
| Trade Payables Turnover Ratio | - | - | - |
| Net Capital Turnover Ratio | 2.14 | - | - |
| Net Profit Ratio | 0.10 | - | - |
| Return on Capital Employed | 0.20 | - | - |
| Return on investment | - | - | - |

ANNEXURE –VII
Statement of Capitalization, As Restated

| Particulars | Pre-Issue | Post Issue* |
|--|-----------------|-----------------------------|
| | 31-03-2022 | |
| Debt : | | |
| Short Term Debt | - | - |
| Long Term Debt | - | - |
| Total Debt | - | - |
| Shareholders Funds | | |
| Equity Share Capital | 865.00 | 1,816.00 [#] |
| Reserves and Surplus | 944.36 | 2,634.73 [#] |
| Less: Misc. Expenditure | - | - |
| Total Shareholders' Funds | 1,809.36 | 4,450.73[#] |
| Long Term Debt/ Shareholders' Funds | - | - |
| Total Debt / Shareholders Fund | - | - |

*Assuming Full Allotment of Rights Equity Shares

[#] As per the Certificate received from M/s. Anant Rao & Mallik dated January 19, 2023, Chartered Accountants dated January 19, 2023

ANNEXURE –VIII
Statement of Tax Shelter, As Restated

| Particulars | As At | | |
|--|-------------------|-------------------|-------------------|
| | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Profit Before Tax as per books of accounts (A) | 395.32 | - | - |
| -- Normal Tax rate | 26.00% | 26.00% | 26.00% |
| -- Minimum Alternative Tax rate | 15.60% | 15.60% | 19.24% |
| Permanent differences | | | |
| Other adjustments | - | - | - |
| Prior Period Item | - | - | - |
| Donation Disallowances | - | - | - |
| Total (B) | - | - | - |
| Timing Differences | | | |
| Depreciation as per Books of Accounts | - | - | - |
| Depreciation as per Income Tax | - | - | - |
| Difference between tax depreciation and book depreciation | - | - | - |
| Other adjustments | - | - | - |
| Foreign income included in the statement | - | - | - |
| Total (C) | - | - | - |
| Net Adjustments (D = B+C) | - | - | - |
| Total Income (E = A+D) | 395.32 | - | - |
| Brought forward losses set off (Depreciation) | - | - | - |
| Tax effect on the above (F) | - | - | - |
| Taxable Income/ (Loss) for the year/period (E+F) | 395.32 | - | - |
| Tax Payable for the year | 21.86 | - | - |
| Tax payable as per MAT | - | - | - |
| Tax expense recognised | 21.86 | - | - |
| Tax payable as per normal rates or MAT (whichever is higher) | Income Tax | Income Tax | Income Tax |

ANNEXURE –IX
Statement of Related Parties & Transactions

The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

| Name of the key managerial personnel/Entity | Relationship |
|---|----------------------------------|
| Mr. Y.RAMESH REDDY | Director/KMP |
| Mr. SREENIVASA SREEKANTH UPPULURI | Director/KMP |
| EDVENSWA TECH INC, USA | Wholly owned Subsidiary (100%) |
| EDWENSWA TECH PRIVATE LIMITED | Company Promoted by our Promoter |

Transactions with Related Parties: (Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|---------------------------------|------------|------------|------------|
| Remuneration paid to Directors | - | - | - |
| Sale with related parties | - | - | - |
| Purchase with related parties | - | - | - |
| Unsecured Loans Received/(Paid) | - | - | - |
| Investment in Group Entities | - | - | - |

ANNEXURE –X
Statement of Dividends (Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|----------------------------|------------|------------|------------|
| No Dividend paid till date | N/A | N/A | N/A |

ANNEXURE –XI
Statement of Contingent Liabilities & Commitment: (Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 |
|--|------------|------------|------------|
| Contingent Liabilities | | | |
| Claims against the company not acknowledged as debt | - | - | - |
| Corporate Guarantees Given | - | - | - |
| Bank Guarantees Given | - | - | - |
| Other money for which the company is contingently liable | - | - | - |
| Commitments | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - | - |
| Other commitments (specify nature). | - | - | - |

7. Material Adjustments
In Profit and Loss Account

| Particulars | For the FY ended | | |
|--|------------------|------------|------------|
| | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Profit After Tax as per Books of Accounts | 375.57 | - | - |
| Adjustment for provision of Depreciation | - | - | - |
| Adjustment for provision of Income Tax | (2.11) | - | - |
| Adjustment for provision of Deferred Tax | - | - | - |
| Profit After Tax as per Restated | 373.46 | - | - |

The impact of the above has been suitably incorporated in the restated balance sheet.

Material Regrouping

| Particulars | For the FY ended | | |
|---|------------------|------------|------------|
| | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Reserve & Surplus as per Books of Accounts | 46.47 | | |
| Adjustment in Profit & Loss Accounts | (2.11) | - | - |
| Adjustment in opening Balance | - | - | - |
| Reserve & Surplus as per Restated | 44.36 | - | - |
| Fixed Assets as per Books of Accounts | | | |
| Adjustment for provision of Depreciation | - | - | - |
| Adjustment for Regrouping with Non-Current Items | - | - | - |
| Fixed Assets as per Restated | - | - | - |
| Deferred Tax Assets as per Books of Accounts | | | |
| Adjustment for provision of Deferred Tax | - | - | - |
| Adjustment in opening Balance | - | - | - |
| Deferred Tax Assets as per Restated | - | - | - |

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our restated financial condition and results of operations for the financial year ended March 31, 2022, March 31, 2021, March 31, 2020 and limited review report for the half year ended September 30, 2022. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section titled "**Financial Information**" beginning on page 92 of this Letter of Offer. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "**Risk Factors**" beginning on page 20 of this Letter of Offer. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "**Forward-Looking Statements**" beginning on page 16 of the Letter of Offer.

Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Statements of the Company for the FY ended March 31, 2022, March 31, 2021 and March 31, 2020 and limited review report for the half year ended September 30, 2022. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year. In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to "**Edvenswa Enterprises Limited**", our Company.

BUSINESS OVERVIEW

Edvenswa Enterprises Limited (Formerly KLK Electrical Limited) (CIN: L72300TN1980PLC008230) was incorporated originally as KLK Electrical Industries Private Limited on 18th April, 1980 as a Private Limited Company under the Indian Companies Act, 1956. The name of the Company was changed to KLK Electrical Industries Limited under Section 21 of the Companies Act, 1956 with effect from 26th December, 1985 upon conversion from Private to Public under the Indian Companies Act, 1956. The name was further changed to KLK Electrical Limited with effect from 11th November, 2003. The name further changed to "Edvenswa Enterprises Limited" with effect from November 22, 2022.

On 02nd November, 2021, the Board of Directors of KLK Electrical Ltd in its meeting considered and approved the preferential allotment of 60,00,000 (Sixty Lakh) equity shares at a price of Rs.25/- per equity share to Sreenivasa Sreekanth Uppuluri in consideration for purchase of entire 60,00,000 Common Stock of Edvenswa Tech INC held by him valued at Rs.25/- per common stock, in the ratio of 1:1 (i.e., 1 Equity share of KLK Electrical Limited for every 1 share of Edvenswa Tech INC) and 12,00,000 (Twelve Lakh)Equity Share Warrants at a price of Rs.25/- per Warrant on a cash consideration with a right to the warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of Rs.10/- each of the Company ("Equity Shares") at a premium of Rs.15/- per share warrant within a period of 18 (Eighteen) months from the date of allotment of the Warrants, aggregating to Rs. 3,00,00,000/- (Rupees Three Crores Only) to Yerradoddi Ramesh Reddy. The said transaction was approved vide Special Resolution dated December 02, 2021.

The above transaction triggered an open offer for which the public announcement was given on November 02, 2021 and payment to public shareholders who had tendered the shares in the open offer was completed on February 16, 2022.

By virtue of the above transaction the new management comprising of Sreenivasa Sreekanth Uppuluri and Yerradoddi Ramesh Reddy who were into the business of providing Information technology services to global clients through onsite and offshore software delivery and who wanted to expand the business across India and United states through organic and inorganic growth took over the reins of our Company.

Edvenswa Enterprises Limited (*formerly KLK Electrical Limited*) is a Holding Company of Edvenswa Tech INC with consolidated business interests in software development, enterprise solution engaged in the business of providing a range of Information Technology ("IT") solutions to companies across sectors such as Healthcare & Life Sciences, Supply Chain & Logistics, Banking & Financial Services, Energy, Education and Environment etc. We design, develop and maintain software systems and solutions, create new applications and enhance the functionality of our customers' existing software applications using our proprietary tools, frameworks and processes which accelerate the overall delivery process with higher quality.

Our Edvenswa group endeavors to bring together creativity and knowledge with a positive business strategy to furnish the requirements of diverse clients with an inclusive range of services which are comprehensive and cost-effective so that the client can focus on their core-competencies to improve or expand their businesses. The Edvenswa Group delivers services across all stages of the Software Development life-cycle, which enables us to work with a wide-range of customers and

allows us to develop, enhance and deploy our customers' software applications. The various services offered by our Company are UI/UX Design & Development; Rapid Prototyping & Product Development for Customers; Enterprise Application Engineering; Software Quality Assurance; Business Process Automation using Robotic Process Automation (RPA) tools; Social/Mobile Application Development; Application Integration, Maintenance & Migration Services; Cloud Migration Services; DevOps Engineering; Data Management & Integration; Big Data, Analytics & Data Science related Services; Application Integration; Mobile Application Development & Integration; and Extended R&D Partnering etc.

Our comprehensive suite of service offerings allows us to attract new customers and expand existing customer relationships. We offer custom solutions for *Smart Cities & Smart Villages using the best of the breed solutions; We offer solutions to support continuous education of our Customers' Workforce using our highly customizable and scalable Learning Management platform; We design and develop Intelligent Agents (ML/AI based) etc to enhance operational efficiency of our Customers and help in strategizing their business objectives.*

To provide software services through Global Delivery model, operating in different location within India and abroad, Edvenswa Enterprises Limited acts as the offshore arm of the Business in India having its Registered Office at Chennai, India and Edvenswa Tech Inc. USA acts as the onsite arm of the business in abroad having its corporate offices in San Jose, California and Bellevue Washington Stat and Registered Office at Georgia, USA.

Edvenswa Tech Inc. USA sources the business that can be delivered using a highly mature Global Delivery Model with resources located onshore (USA), The offshore team is managed by Edvenswa Enterprises Limited, and the onshore is managed by Edvenswa Tech Inc. USA. Currently Edvenswa Enterprises Limited is providing recruitment (staffing) services for Edvenswa Tech Inc. USA. Edvenswa Enterprises Limited has a team of efficient recruiters who have expertise in US sales and recruitment. These recruiters work in the US time zone from India using various sourcing databases, tools and techniques to help in sourcing the right candidates in a highly efficient manner to meet the requirements of our clients. Edvenswa Tech Inc. manages all the Contracts with our clients and bills them on a monthly basis based on the hours of work put in by our Employees, Contractors and the Sub-contractors. Edvenswa Enterprises Limited invoices Edvenswa Tech Inc. USA for the back-office support services i.e recruitment (staffing) services provided. In certain cases, Edvenswa Tech Inc. USA may assign a fixed cost software project to Edvenswa Enterprises Limited and for this type of work, agreed lumpsum amount shall be paid to Edvenswa Enterprises Limited as per the agreed terms during the delivery of such project.

One of our promoter group Company M/s. Edvenswa Tech Private Limited is currently providing offshore delivery of services pertaining to software development to some of Edvenswa Tech Inc's clients in USA. For these services, Edvenswa Tech Private Limited raises invoices on Edvenswa Tech Inc. Edvenswa Tech Private limited has invested its resources to develop, deploy and provide an array of software products to its customers like EmPortal, EdVision, UniOne WorkForce, Omni Sporting, Scool etc.

Our Company Edvenswa Enterprises Limited is planning to expand its business operations in India by providing an array of Software development services specializing in UI/UX Design & Development; Rapid Prototyping & Product Development for Customers; Enterprise Application Engineering; Software Quality Assurance; Business Process Automation using Robotic Process Automation (RPA) tools; Social/Mobile Application Development; Application Integration, Maintenance & Migration Services; Cloud Migration Services; DevOps Engineering; Data Management & Integration; Big Data, Analytics & Data Science related Services; Application Integration; Mobile Application Development & Integration; and Extended R&D Partnering etc. along with its USA subsidiary company and the proceeds of the Rights Issue will augment its expansion plans.

Our Present Promoter Mr. Sreenivasa Sreekanth Uppuluri has more than 25 years of experience in building customer-service oriented high-performance teams delivering Software Products, Services and Solutions to customers across the globe using cutting-edge technologies. He is aided by another Promoter Mr. Yerradoddi Ramesh Reddy who has rich experience in finance and business management domains. Mr. Uppuluri ideated the acquisition of Edvenswa Tech Inc. USA by our company through swap of shares.

The Equity Shares of Edvenswa Enterprises Limited (formerly KLK Electrical Limited) are currently listed on BSE (Main Board) since February 02, 1989 with Scrip Symbol: EDVENSWA; Security Code: 517170 and ISIN: INE125G01014.

Major Milestones:

- *Our Company incorporated as Private Limited Company in the name of "KLK Electrical Industries Private Limited" on April 18, 1980.*
- *Our company was converted into Public Limited Company and the name of our company was changed to "KLK Electrical Industries Limited" on December 26, 1985.*
- *The Equity Shares of our company are currently listed on BSE (Main Board) since February 02, 1989.*

- The name of our company was changed to “KLK Electrical Limited” on November 11, 2003.
- Our Company has acquired 100% control over Edvenswa Tech Inc. USA by way of purchasing all the existing 60,00,000 equity shares from Mr. Sreenivasa Sreekanth Uppuluri and issued 60,00,000 equity shares of Edvenswa Enterprises Limited (formerly KLK Electrical Limited) to Mr. Sreenivasa Sreekanth Uppuluri through swap of shares on preferential basis vide special resolution dated December 02, 2021 and Mr. Sreenivasa Sreekanth Uppuluri has become the majority shareholder of Edvenswa Enterprises Limited (formerly KLK Electrical Limited).
- Our Company has also issued 12,00,000 Equity Share Warrants to Mr. Yerradoddi Ramesh Reddy vide special resolution dated December 02, 2021.
- Our Company was acquired by the current promoters Sreenivasa Sreekanth Uppuluri and Yerradoddi Ramesh Reddy by virtue of the Open Offer.
- Our Company has converted 4,30,000 Equity Shares Warrant out of 12,00,000 Equity Shares Warrant into fully paid-up Equity Shares vide Board Resolution dated November 05, 2022.
- Our Company has increased Authorised Share Capital from ₹ 1000.00 lakhs to ₹ 2000 lakhs vide resolution dated September 27, 2022.
- The name of our company was changed to “Edvenswa Enterprises Limited” on November 22, 2022.

(For Detailed information on our business, please refer to chapter titled “Our Business” beginning from page no. 66 respectively of this Letter of Offer)

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last audited period i.e., March 31, 2022 as disclosed in this Letter of Offer, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. Board of Directors of our Company pursuant to a resolution passed at the Board meeting held on July 28, 2022 approved the Right Issue, Issue price, Right entitlement ratio and the terms of the issue.
2. Our Equity Shareholders pursuant to a resolution passed on September 27, 2022 approved the increase in authorised capital form ₹ 10,00,00,000 to ₹ 20,00,00,000.
3. Our Company has converted 4,30,000 Equity Shares Warrants into fully paid-up Equity Shares of Mr. Yerradoddi Ramesh Reddy out of 12,00,000 Equity Shares Warrants vide Board Resolution dated November 05, 2022.
4. The wholly owned subsidiary of our Company i.e., Edvenswa Tech INC entered into a Membership Interest Purchase Agreement (MIPA) with the Shareholder of M/s. Seltosoft LLC on January 20, 2023, to acquire 100% (One Hundred per cent) shares of M/s. Seltosoft LLC, an Organisation incorporated under the laws of the State of Washington, United States of America. Edvenswa Tech INC, is making this strategic acquisition as part of its growth plans to expand its offerings to Health care and Manufacturing domains. For further details please refer to the Disclosure made by us to the BSE under Regulation 30 of the Listing Regulations vide a letter dated January 21, 2023.

https://www.bseindia.com/corporates/anndet_new.aspx?newsid=b5b2c126-17a5-41bc-9a7d-16746737449a

KEY FACTORS AFFECTING OUR RESULTS OF OPERATION

1. COVID-19 pandemic
2. Our dependence on few clients for a significant portion of our revenues;
3. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
4. Our ability to retain and hire key employees or maintain good relations with our workforce;
5. Impact of any reduction in sales of our services/products;
6. Rapid Technological advancement and inability to keep pace with the change;
7. Increased competition in industries/sector in which we operate;
8. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
9. Changes in laws and regulations relating to the Sectors in which we operate;
10. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
11. Any adverse outcome in the legal proceedings in which we/our promoters may be involved;

12. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
13. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition and
14. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

SIGNIFICANT ACCOUNTING POLICIES:

Our significant accounting policies are described in the section entitled “*Financial Information*” beginning from page no. 131 of the Letter of Offer.

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth select financial data from Limited Reviewed Unaudited Profit and Loss accounts for the period ended on September 30, 2022 and September 30, 2021 and the components of which are also expressed as a percentage of total income for such periods.

UNAUDITED STATEMENT OF CONSOLIDATED PROFIT & LOSS (₹ in lakh)

| PARTICULARS | FOR THE HALF YEAR ENDED | | | |
|---|-------------------------|--------------------|------------|--------------------|
| | 30-09-2022 | % of Total Revenue | 30-09-2021 | % of Total Revenue |
| REVENUE | | | | |
| Income from Operations | 2,222.53 | 99.68% | - | - |
| Other Income | 7.04 | 0.32% | - | - |
| TOTAL REVENUE (1) | 2,229.57 | 100.00% | - | - |
| | | | | |
| EXPENSES | | | | |
| Employee Benefit Expenses | 1,716.57 | 76.99% | - | - |
| Finance Cost | 0.20 | 0.01% | - | - |
| Depreciation & Amortisation Expenses | 14.25 | 0.64% | - | - |
| Other Expenses | 209.45 | 9.39% | - | - |
| TOTAL EXPENSES (2) | 1,940.47 | 87.03% | - | - |
| | | | | |
| PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (1-2) | 289.09 | 12.97% | - | - |
| Exceptional Items | - | - | - | - |
| | | | | |
| PROFIT/(LOSS) BEFORE TAX | 289.09 | 12.97% | - | - |
| Current Tax | 27.33 | 1.23% | - | - |
| Deferred Tax | - | - | - | - |
| PROFIT/(LOSS) AFTER TAX | 261.76 | 11.74% | - | - |

COMPARISON OF THE FINANCIAL PERFORMANCE FOR THE PERIOD SEPTEMBER 30, 2022 WITH SEPTEMBER 30, 2021

For the half year ended September 30, 2021, Financial Statements of our Company did not require consolidation in terms of Companies Act, 2013 and other relevant acts, rules, regulations for the time being in force. Hence comparison of the financial performance for the period September 30, 2022 with September 30, 2021 is not possible.

The following table sets forth select financial data from restated consolidated profit and loss accounts for the financial year ended on 31st March 2022, 31st March 2021 and 31st March 2020 and the components of which are also expressed as a percentage of total income for such periods.

STATEMENT OF CONSOLIDATED PROFIT & LOSS, AS RESTATED (₹ in lakh)

| PARTICULARS | FOR THE YEAR ENDED ON MARCH 31, 2022 | % OF TOTAL REVENUE |
|---|---|-----------------------|
| INCOME | | |
| Revenue from Operations | 3,787.75 | 96.96% |
| Other Income | 118.65 | 3.04% |
| TOTAL REVENUE | 3,906.40 | 100.00% |
| | | |
| EXPENDITURE | | |
| Employee Benefit Expenses | 3.65 | 0.09% |
| Other Expenses | 3,485.87 | 89.23% |
| TOTAL EXPENSES | 3,489.52 | 89.33% |
| | | |
| PROFIT BEFORE INTEREST, DEPRECIATION AND TAX | 416.88 | 10.67% |
| Depreciation & Amortization Expenses | 21.56 | 0.55% |
| | | |
| PROFIT BEFORE INTEREST AND TAX | 395.32 | 10.12% |
| Financial Charges | - | - |
| | | |
| PROFIT BEFORE TAXATION | 395.32 | 10.12% |
| Provision for Taxation | 21.86 | 0.56% |
| Provision for Deferred Tax | - | - |
| TOTAL | 21.86 | 0.56% |
| PROFIT AFTER TAX BUT BEFORE EXTRA ORDINARY ITEMS | 373.46 | 9.56% |
| Extraordinary Items | - | - |
| Profit Attributable to Minority Shareholders | - | - |
| NET PROFIT AFTER ADJUSTMENTS | 373.46 | 9.56% |

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED MARCH 31, 2022

Total Income: Our Company's total revenue during the period (April 01, 2021 to March 31, 2022) was ₹3906.40 Lakhs. The revenue from operation was ₹3787.75 Lakhs which is 96.96% of total revenue which consist of Information Technology ("IT") services and solutions.

Total Expenses: Our Company's total expenses (excluding Depreciation and Financial Charges) during the said period (April 01, 2021 to March 31, 2022) was ₹3489.52 Lakhs. The total expenditure is almost 89.33% of total revenue. The main constituent of total expenditure is other expenses which consists of Administrative Expenses related to US Subsidiary which was ₹3474.93 Lakhs, almost 88.95% of total revenue.

Other Expenses: The Other Expenses for the said period (April 01, 2021 to March 31, 2022) was ₹3485.87 Lakhs which is almost 89.23% of total revenue.

Employee Benefit Expenses: The Employee Benefit Expenses for the said period (April 01, 2021 to March 31, 2022) was ₹3.65 Lakhs which is almost 0.09% of total revenue.

Profit/ (Loss) After Tax: The restated Consolidated Profit after Tax for the said period (April 01, 2021 to March 31, 2022) was ₹373.46 Lakhs which is almost 10.12% of total revenue.

The following table sets forth select financial data from restated standalone profit and loss accounts for the financial year ended on 31st March 2022, 31st March 2021 and 31st March 2020 and the components of which are also expressed as a percentage of total income for such periods.

STATEMENT OF STANDALONE PROFIT & LOSS, AS RESTATED (Rs. In Lakhs)

| PARTICULARS | FOR THE YEAR ENDED ON | | | | | |
|---|-----------------------|---------------------|---------------|---------------------|---------------|---------------------|
| | 31-03-2022 | % of Total Turnover | 31-03-2021 | % of Total Turnover | 31-03-2020 | % of Total Turnover |
| INCOME | | | | | | |
| Revenue from Operations | 50.24 | 33.12% | 104.12 | 99.05% | - | 0.00% |
| Other Income | 101.46 | 66.88% | 1.00 | 0.95% | 2.00 | 100.00% |
| TOTAL REVENUE | 151.69 | 100.00% | 105.12 | 100.00% | 2.00 | 100.00% |
| EXPENDITURE | | | | | | |
| Purchase of Stock-in-Trade | - | - | 99.31 | 94.47% | - | - |
| Employee Benefit Expenses | 3.65 | 2.41% | 3.60 | 3.42% | 1.80 | 90.00% |
| Other Expenses | 10.94 | 7.21% | 9.03 | 8.59% | 9.16 | 458.09% |
| TOTAL EXPENSES | 14.59 | 9.62% | 111.94 | 106.48% | 10.96 | 548.09% |
| PROFIT BEFORE INTEREST, DEPRECIATION AND TAX | 137.10 | 90.38% | (6.81) | -6.48% | (8.96) | -448.09% |
| Depreciation & Amortization Expenses | - | - | - | - | - | - |
| PROFIT BEFORE INTEREST AND TAX | 137.10 | 90.38% | (6.81) | -6.48% | (8.96) | -448.09% |
| Financial Charges | - | - | - | - | - | - |
| PROFIT BEFORE TAXATION | 137.10 | 90.38% | (6.81) | -6.48% | (8.96) | -448.09% |
| Provision for Taxation | 9.23 | 6.09% | - | - | - | - |
| Provision for Deferred Tax | - | - | - | - | - | - |
| TOTAL | 9.23 | 6.09% | - | - | - | - |
| PROFIT AFTER TAX BUT BEFORE EXTRA-ORDINARY ITEMS | 127.87 | 84.29% | (6.81) | -6.48% | (8.96) | -448.09% |
| Extraordinary Items | - | - | - | - | - | - |
| Profit Attributable to Minority Shareholders | - | - | - | - | - | - |
| Net Profit after adjustments | 127.87 | 84.29% | (6.81) | -6.48% | (8.96) | -448.09% |

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2022 WITH FISCAL 2021

Total Income: During the FY 2021-22 the revenue from operation and other income of the company has been increased to ₹151.69 Lacs as against ₹105.12 Lacs in the FY 2020-21. This change was mainly due to profit in sale of equity shares in FY 2021-22.

Total Expenses: The total expenditure for the FY 2021-22 has been decreased to ₹14.59 Lacs as against ₹111.94 Lacs in the FY 2020-21. This decrease was mainly due to decrease in revenue from operation during the FY as mentioned in revenue from operation above.

Purchase of Stock-in-Trade: The Purchase of Stock-in-Trade for the FY 2021-2022 has been decreased to ₹ Nil as against ₹99.31 Lacs in the FY 2020-21. This decrease was mainly due to decrease in revenue from operation during the FY as mentioned in revenue from operation above.

Employee Benefit Expenses: The Employee Benefit Expenses for the FY 2021-22 has been increased to ₹3.65 Lacs as against ₹3.60 Lacs in the FY 2020-21.

Other Expenses: The Other Expenses for the FY 2021-2022 has been increased to ₹10.94 Lacs as against ₹9.03 Lacs in the FY 2020-21.

Profit/ (Loss) After Tax: The restated Standalone Profit after Tax for FY 2021-22 has been increased to ₹127.87 Lacs as against loss of ₹6.81 Lacs in the FY 2020-21.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2021 WITH FISCAL 2020

Total Income: During the FY 2020-21 the revenue from operation and other income of the company was increased to ₹105.12 Lacs as against ₹2.00 Lacs in the FY 2019-20. This change was mainly due to increase in sales in FY 2020-21.

Total Expenses: The total expenditure for the FY 2020-21 has been increased to ₹111.94 Lacs as against ₹10.96 Lacs in the FY 2019-20. This increase was mainly due to increase in volume of operation during the FY as mentioned in revenue from operation above.

Purchase of Stock-in-Trade: The Purchase of Stock-in-Trade for the FY 2020-21 has been increased to ₹99.31 Lacs as against ₹ Nil in the FY 2019-20. This increase was mainly due to increase in volume of operation during the FY as mentioned in revenue from operation above.

Employee Benefit Expenses: The Employee Benefit Expenses for the FY 2020-21 has been increased to ₹3.60 Lacs as against ₹1.80 Lacs in the FY 2019-20. This increase was mainly due to increase in volume of operation during the FY as mentioned in revenue from operation above.

Other Expenses: The other Expense for the FY 2020-2021 has been decreased to ₹9.03 Lacs as against ₹9.16 Lacs in the FY 2019-20. This decrease was mainly due to decrease in Travelling and Conveyance expenses which was restricted due to COVID-19.

Profit/ (Loss) After Tax: The restated Loss for FY 2020-21 has been decreased to ₹6.81 Lacs as against loss of ₹8.96 Lacs in the FY 2019-20.

AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE IS GIVEN HEREUNDER:

1. Unusual or infrequent events or transactions

Except as described in this Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that may materially affect or likely to affect income from continuing operations except the Covid-19 pandemic which is still to be controlled. However, 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.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 20 in the Letter of Offer, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Expected Future changes in relationship between costs and revenues

Our Company’s future costs and revenues will be determined by demand/supply situation, Government Policies and Taxation and Currency fluctuations.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices

Changes in revenue in the last financial years are as explained in the part “Comparison of the financial performance of above.

6. Total turnover of each major industry segment in which our Company operates

The Company is mainly engaged in Information Technology (“IT”) solutions and all the activities of the business revolve around this main business. Therefore, there are no separate reportable segments.

7. Status of any publicly announced New Products or Business Segment

Our Company has not announced any new product other than disclosed in this Letter of Offer.

8. Seasonality of business

Our Company’s business is not seasonal in nature.

9. Competitive conditions

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on page 50 and 66 respectively of the Letter of Offer

10. Details of material developments after the date of last balance sheet i.e., March 31, 2022

Except as mentioned in this Letter of Offer, no circumstances have arisen since the date of last financial statement until the date of filing the Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

SECTION VIII: LEGAL AND OTHER INFORMATIONS

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the Letter of Offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

- In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';
- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

I. CONTINGENT LIABILITIES OF OUR COMPANY

As per the Audited Financials for the Financial Year ending March 31, 2022, the Company has no Contingent Liabilities.

I. LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

- 1. Litigation Involving Criminal matters: NIL**

- 1. Litigation Involving Civil matters: NIL**

- 2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

- 3. Litigation involving Tax Liabilities:**
 - (i) Direct Tax Liabilities: NIL**

 - (ii) Indirect Taxes Liabilities: NIL**

- 4. Other Pending Litigations/Actions: NIL**

A. CASES FILED BY OUR COMPANY

- 1. Litigation Involving Criminal matters: NIL**

- 2. Litigation Involving Civil matters: NIL**

3. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

4. **Other Pending Litigations: NIL**

II. LITIGATION INVOLVING OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. **Litigation Involving Criminal matters: NIL**

2. **Litigation Involving Civil matters: NIL**

3. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

4. **Litigation involving Tax Liabilities**

(i) **Direct Tax Liabilities: NIL**

(ii) **Indirect Taxes Liabilities: NIL**

5. **Other Pending Litigations: NIL**

A. LITIGATION FILED BY OUR DIRECTORS

1. **Litigation Involving Criminal matters: NIL**

2. **Litigation Involving Civil matters: NIL**

3. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

4. **Other Pending Litigations: NIL**

III. LITIGATION INVOLVING OUR PROMOTERS AND PROMOTER GROUP

A. LITIGATION AGAINST OUR PROMOTERS AND PROMOTER GROUP

1. **Litigation Involving Criminal matters: NIL**

2. **Litigation Involving Civil matters: NIL**

3. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

4. Litigation involving Tax Liabilities

(iii) Direct Tax Liabilities:

Edvenswa Tech private Limited [Forming part of Promoter Group]:

| A. Y. | Section Code | Date of Demand | Amount | Particulars |
|--------------|--------------|----------------|-----------------|---|
| 2012-13 | 27(1)(c) | 10.09.2021 | 80,102 | No Appeal has been preferred against the demand. The matter is pending. |
| 2012-13 | 27(1)(F) | 01.12.2021 | 50,000 | No Appeal has been preferred against the demand. The matter is pending. |
| 2019-20 | 143(1)(a) | 26.02.2020 | 700 | No Appeal has been preferred against the demand. The matter is pending. |
| 2020-21 | 143(1)(a) | 18.12.2021 | 15,873 | No Appeal has been preferred against the demand. The matter is pending. |
| 2021-22 | 143(1)(a) | 07.07.2022 | 2,44,982 | No Appeal has been preferred against the demand. The matter is pending. |
| TOTAL | | | 3,71,657 | |

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise. In the absence of Order copy of the Income Tax Department, the nature, extents and status of the Cases cannot be ascertained.

(iv) Indirect Taxes Liabilities: NIL

5. Other Pending Litigations: NIL

A. LITIGATION FILED BY OUR PROMOTERS AND PROMOTER GROUP

1. Litigation Involving Criminal matters: NIL
2. Litigation Involving Civil matters: NIL
3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
4. Other Pending Litigations: NIL

IV. LITIGATION INVOLVING OUR GROUP ENTITIES

1. Litigation Involving Criminal matters: NIL
2. Litigation Involving Civil matters: NIL
3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
4. Litigation involving Tax Liabilities

(v) Direct Tax Liabilities: NIL

(viii) **Indirect Taxes Liabilities: NIL**

5. Other Pending Litigations: NIL

V. Penalties imposed in past cases for the last five years: NIL

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on March 31, 2022 and September 30, 2022:

| Particulars | Balance as on | |
|--|-----------------------------------|-----------------------------|
| | September 30, 2022 (Unaudited) | March 31, 2022 (Audited) |
| Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)* | Nil | Nil |
| Total Outstanding dues to Creditors other than MSME# | Nil | Nil |

* Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, is not available with us as we are in the process of Compiling the information from our vendors.

As per restated audited balance sheet.

Outstanding Litigations involving the Company or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

Except as described above, as on date of this Letter of Offer, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment since incorporation against our Company.

Material Fraud against our Company in the last five years

There has been no material fraud committed against our Company since incorporation.

Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences for default or outstanding defaults.

Non-Payment of Statutory Dues

Except as disclosed in the chapter titled "*Financial Statements as Restated*" beginning on pages 92 there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 162 of this Letter of Offer, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from applicable governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

In addition, as on the date of the Letter of Offer, there are no pending regulatory and government approvals and no pending renewals of licenses or approvals in relation to the activities presently undertaken by us or in relation to the Issue.

However going forward, we may require certain statutory and regulatory permits, licenses and approvals to operate our business and safety certificates registration certificates issued under various laws.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

1. The Issue of this Right Equity Shares to the eligible shareholders in terms of this Letter of Offer has been authorized by a resolution by the Board of Directors passed at their meeting held on July 28, 2022 under Section 62 of the Companies Act 2013.
2. Our Board in its meeting held on July 28, 2022, has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders and decided to issue the Rights Equity Shares at an Issue Price of ₹25/- per Rights Equity Share including a premium of ₹15/- per Rights Equity Shares, in the ratio of 1 (One) Rights Equity Share for every 1 (One) Equity Shares, as held on the Record Date.
3. The Draft Letter of Offer has been approved by our Board pursuant to its resolution dated December 22, 2022.
4. The Letter of Offer has been approved by our Board pursuant to its resolution dated January 23, 2023.
5. Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulation vide their letter dated January 13, 2023 for listing of the Rights Equity Shares to be allotted in the Issue.
6. Our Company will also make applications to the BSE to obtain their trading approvals for the Rights Entitlements as required under the January 22, 2020 – Rights Issue Circular.
7. Our Company has been allotted the ISIN - INE125G20014 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 180 of this Letter of Offer.

CONFIRMATION

- Our Company, our Promoters, Promoter Group, our Directors, person(s) in control of the promoter or our Company have not been or are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.
- Our Company, our Promoters, Promoters’ Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
- None of our Directors are associated with the securities market in any manner and there has been no outstanding action initiated by the SEBI against the Directors in the past five years.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares are presently listed on the BSE. Our Company is eligible to offer Rights Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Pursuant to Clause 3 of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

COMPLIANCE WITH REGULATIONS 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable, details are mentioned as under:

- Our Company, any of our Promoters, Promoter Group or our Directors are not debarred from accessing the capital market by SEBI.
- None of our promoters or Directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by SEBI.

- None of our Promoters or our Directors are declared as Fugitive Economic Offenders within the meaning of the Fugitive Economic Offenders Act, 2018.
- Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made an application to BSE for their in-principle approval and undertakes to make an application to BSE for listing and trading approval of the Rights Equity Shares to be issued pursuant to the Issue.

All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Letter of Offer.

- We will ensure compliance with the conditions specified in Regulation 62(2) and 62(2A) of the SEBI ICDR Regulations, to the extent applicable.
- Neither our Company, nor our Promoters or our Directors, have been identified as a willful defaulter or fraudulent borrower by the RBI.

DISCLAIMER CLAUSE OF SEBI

This Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding ₹ 5,000 Lakh.

As required, a copy of the Letter of Offer will be submitted to SEBI.

HOWEVER, IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisements or any other material issued by or at the instance of our company and that 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 been represented by our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Right Equity Shares of our Company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders 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 Letter of Offer with the SEBI/Stock Exchange.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorised information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights 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 IN RESPECT OF JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in **Tamilnadu, Chennai, India** only.

DISCLAIMER CLAUSE OF BSE

As required, a copy of the Draft Letter of Offer was submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer, is as set out below :

“BSE LIMITED (“THE EXCHANGE”) HAS GIVEN VIDE ITS LETTER DATED JANUARY 13, 2023, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE’S NAME IN THIS LETTER OF OFFER AS THE STOCK EXCHANGE ON WHICH THIS COMPANY’S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS 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 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 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.”

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.

CONSENTS

Consents in writing of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, Legal Advisor, the Registrar to the Issue and the Bankers to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated October 10, 2022 from our Statutory and Peer Review Auditor, namely, M/s. Anant Rao & Mallik, Chartered Accountants for inclusion of their examination report dated on our Restated Financial Information for the six months ended September 30, 2022 and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020; and to include their name in this Letter of Offer and as an ‘Expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated November 28, 2022 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer.

EXPERT OPINION

Our Company has received written consent dated October 10, 2022 from our Statutory Auditor, namely, M/s., Anant Rao & Mallik, Chartered Accountants to include their name as required in this Letter of Offer and as an ‘Expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to its (i) examination report December 17, 2022 on our Restated Summary Statements for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020; and (ii) Special Tax Benefits dated November 28, 2022, in this Letter of Offer and such consent has not been withdrawn as of the date of this Letter of Offer.

The term ‘Expert’ and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by M/s. Anant Rao & Mallik, Chartered Accountants our Company has not obtained any expert opinions.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

PERFORMANCE VIS-À-VIS OBJECTS – LAST ISSUE OF LISTED SUBSIDIARIES OR ASSOCIATES

Our Company does not have any listed subsidiaries or associate companies as on the date of this Letter of Offer.

FILING

The Draft Letter of Offer was neither filed with SEBI, nor did SEBI issued any observation on the Draft Letter of Offer as the size of issue is less than Rs. 5,000 Lakh.

The Draft Letter of Offer was filed with BSE for obtaining its in-principle approval.

However, our Company will submit a copy of the Letter of Offer to SEBI for the purpose of their information and dissemination on its website by mailing it to the e-mail address: cfddil@sebi.gov.in.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has adequate arrangements for the 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 SEBI Circular no. CIR/OIAE/ 2/ 2011 dated June 3, 2011 and monitor the same at a regular interval.
- ✓ Our Company has a Stakeholders Relationship Committee to redress complaints, if any. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights.
- ✓ Our Company has appointed Mrs. Hima Bindu Dulipala, Company Secretary, as the Compliance Officer to redress complaints, if any.
- ✓ In terms of Regulation 7(1) of the SEBI Listing Regulations, we have duly appointed the Registrar and Share Transfer Agents for our Company. All investor grievances received by us have been handled by the same in consultation with the Company Secretary and Compliance Officer.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar for the redressal of routine investor grievances shall be seven (7) to fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Investor Grievances arising out of the Issue

Our Company has appointed M/s. Cameo Corporate Services Limited (“CAMEO”) as Registrar to this Right issue.

Our Company has also appointed Mrs. Hima Bindu Dulipala, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue.

Investors may contact the Registrar to the Issue or our Compliance Officer for any pre-Issue/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 ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights 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 ASBA Investors along with a photocopy of the acknowledgement slip.

In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

Contact details of the Registrar to this issue and of our Company Secretary and Compliance Officer are as follows:

| | |
|--|--|
| Cameo Corporate Services Limited "Subramanian Building", No.1, Club House Road, Chennai - 600 002, India Telephone: 044 – 4002 0700 (5 lines) Email: priya@cameoindia.com ; Investor grievances Email: investor@cameoindia.com Contact Person: Ms. K Sreepriya Website: www.cameoindia.com SEBI Registration Number: INR000003753 CIN: U67120TN1998PLC041613 | Company Secretary & Compliance officer Mrs. Hima Bindu Dulipala, Company Secretary Edvenswa Enterprises Limited Plot No. 85, Shop No.1, 4th Street, Ganesh Avenue, Sakthi Nagar, Porur, Chennai - 600116, Tamil Nadu, India Telephone: +91 91000 52964 E-Mail Id: himabindu@edvenswainc.com Website: www.klk.co.in |
|--|--|

Status of outstanding investor complaints in relation to our Company

As on the date of this Letter of Offer, there were no outstanding investor complaints in relation to our Company.

STOCK MARKET DATA OF THE EQUITY SHARES

The Equity Shares of our Company are listed on the BSE.

For the purpose of this section:

- 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;
- Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be.

Monthly Stock Market Quotation

The monthly high and low prices and volume of the Equity Shares traded on the respective dates during the six months preceding the date of filing the Letter of Offer, are as follows:

| Month | High (₹) | Date of High | No. of Shares Traded on date of High | Low (₹) | Date of Low | No. of Shares Traded on date of Low | Average Volume of Equity Shares traded for the Month | Total No. of Traded Days |
|-----------------|----------|--------------|--------------------------------------|---------|-------------|-------------------------------------|--|--------------------------|
| July, 2022 | 88.75 | 29-07-2022 | 23,621 | 48.75 | 01-07-2022 | 100 | 26,831 | 21 |
| August, 2022 | 122.10 | 17-08-2022 | 12,253 | 81.45 | 30-08-2022 | 38,229 | 16,832 | 20 |
| September, 2022 | 117.45 | 27-09-2022 | 27,626 | 80.00 | 05-09-2022 | 7,131 | 14,544 | 22 |
| October, 2022 | 107.95 | 03-10-2022 | 16,350 | 80.25 | 25-10-2022 | 3,396 | 7,256 | 19 |
| November, 2022 | 97.00 | 04-11-2022 | 4,289 | 80.30 | 30-11-2022 | 3,250 | 6,011 | 21 |
| December, 2022 | 90.35 | 27-12-2022 | 12,365 | 73.55 | 22-12-2022 | 3,182 | 6,105 | 22 |
| January, 2023 | 96.00 | 18-01-2023 | 10,722 | 75.30 | 03-01-2023 | 9,568 | 9,873 | 15 |

*Till January 20, 2023

(Source: www.bseindia.com/markets/equity/EQReports/StockPrchHistori.aspx?expandable=7&scripcode=517170&flag=sp&Submit=G)

Yearly Stock Market Quotation

The high, low prices and average of closing prices recorded on the BSE for the Financial Years 2019-20, 2020-21, 2021-22 and 2022-23 and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

| Financial Year | High (₹) | Date of High | No. of Shares Traded on date of High | Low (₹) | Date of Low | No. of Shares Traded on date of Low | Average Price for the Year (₹) |
|----------------------|----------|--------------|--------------------------------------|---------|-------------|-------------------------------------|--------------------------------|
| 2019-20 | 14.55 | 08-01-2020 | 40,000 | 14.55 | 01-02-2020 | 10 | 14.55 |
| 2020-21 | 18.00 | 26-03-2021 | 99 | 11.85 | 17-02-2021 | 1,000 | 14.43 |
| 2021-22 | 28.65 | 28-03-2022 | 2,100 | 10.85 | 04-06-2021 | 1,200 | 19.02 |
| 2022-23 [#] | 122.10 | 17-08-2022 | 12,253 | 30.05 | 11-04-2022 | 8 | 83.23 |

[#]Till January 20, 2023 during FY 2022-2023

(Source: www.bseindia.com/markets/equity/EQReports/StockPrcHistori.aspx?expandable=7&scripcode=517170&flag=sp&Submit=G)

The closing price of the Equity Shares as on July 29, 2022 was ₹88.75 on the BSE, the trading day immediately following the day on which Board of Directors approved the Issue, i.e., on July 28, 2022.

The closing market price of our Equity Shares as on December 21, 2022, the trading day immediately prior to the date of the Draft Letter of Offer, was ₹77.55 on the BSE.

The closing market price of our Equity Shares as on January 20, 2023, the trading day immediately prior to the date of the Letter of Offer, was ₹89.15 on the BSE.

The shares of the company are frequently traded as per the definition of 2(1)(j) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

The issue price has been determined in consultation between our Company and the lead manager.

SECTION IX: ISSUE INFORMATION

TERMS OF THE ISSUE

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

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, see “Application by Eligible Equity Shareholders holding Equity Shares in physical form” beginning on page nos. 184 & 196 of this Letter of Offer.

Investors are requested to note that application in this Issue can only be made through ASBA, in case of Eligible Equity Shareholders.

The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA Act, 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 the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT:

Dispatch and availability of Issue materials:

In accordance with the SEBI (ICDR) Regulations and relevant SEBI circulars on Rights Issue, our Company will send, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) through physical delivery only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) through physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company or to their email addresses; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders.

Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

Please note that Eligible Equity Shareholders, in order to update the respective Indian addresses/ email addresses/ mobile numbers in the records maintained by the Registrar or our Company, should visit <https://rights.cameoindia.com/edvenswa>. Investors can access the Issue Materials (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

our Company at www.klk.co.in;
the Registrar at <https://rights.cameoindia.com/edvenswa>;
the Lead Manager at www.finshoregroup.com;
the Stock Exchange at www.bseindia.com

Eligible Equity Shareholders who have not received the Application Form may apply, along with the requisite application money, by using the application forms available on the websites above, or on plain paper, with the same details as per the application form available online.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar <https://rights.cameoindia.com/edvenswa> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company www.klk.co.in.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. Our Company and the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email 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.

PLEASE NOTE THAT NEITHER OUR COMPANY NOR THE REGISTRAR NOR THE LEAD MANAGER SHALL BE RESPONSIBLE FOR NON-DISPATCH OF PHYSICAL COPIES OF ISSUE MATERIALS, INCLUDING THE LETTER OF OFFER, THE ABRIDGED LETTER OF OFFER, THE RIGHTS ENTITLEMENT LETTER AND THE APPLICATION FORM OR DELAY IN THE RECEIPT OF THE 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 FORM OR THE RIGHTS ENTITLEMENT LETTERS ARE DELAYED OR MISPLACED DURING TRANSIT.

The distribution of the Issue Materials and the issue of Issue 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 Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Issue Shares may not be offered or sold, directly or indirectly, and the Issue 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 the Issue Materials (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, the Issue Materials 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 Issue Materials should not, in connection with the issue of the Issue Shares or the Rights Entitlements, distribute or send the Issue Materials 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 or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Issue Materials are 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 the Issue Materials. Any person who makes an application to acquire Rights Entitlements and the Issue 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 the requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Our company is undertaking this issue for its eligible equity shareholders and will send the abridged letter of offer, the application form and other applicable issue materials primarily to the email addresses of the eligible equity shareholders who have provided a valid email address and an Indian address to our company. This Letter of Offer will be provided, primarily through e-mail, by the registrar on behalf of our company or the lead manager to the eligible equity shareholders who have provided their Indian address to our company.

Process for Application in this Issue:

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Procedure for Application through the ASBA Process” below:

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue on the basis of the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see *“Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders”* on Page 183.

ASBA facility: Investors can submit either the Application Form in physical mode to the Designated Branch 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, see *“Procedure for Application through the ASBA Process”* beginning on page no. 193 of this Letter of Offer

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 see “Grounds for Technical Rejection” beginning on page 200 of this Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see *“Application on Plain Paper under ASBA process”* beginning from page 195.

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:

- (i) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- (v) renounce its Rights Entitlements in full

Making of an Application through the ASBA facility:

An Investor, 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. Investors 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.

Investors should ensure that they have correctly submitted the Application Form and have provided 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, refer <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.

The Lead Manager, 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

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 Rights 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., <https://rights.cameoindia.com/edvenswa>) 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.klk.co.in)

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 ISIN: INE125G20014. 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 Rights 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 Rights Equity Shares offered under Rights Issue for subscribing to the Rights 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 clear 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., <https://rights.cameoindia.com/edvenswa>). 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 Circular, the credit of Rights Entitlements and Allotment of Rights 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, “Edvenswa Enterprises Limited a/c”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit/credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) 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 (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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 the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, 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 the Company or the Registrar account is active to facilitate the aforementioned transfer.

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. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

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; Alternatively they can upload the above mentioned documents in the investor portal of the Registrar to the issue at <https://rights.cameoindia.com/edvenswa> .
- (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 “*Application on Plain Paper under ASBA process*” on page 195.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to 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

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in ***“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”*** beginning from page 196.

Application for Additional Equity Shares

Investors 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”*** beginning on page 204.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renounee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled ***“Procedure for Application through the ASBA process”*** on page no. 193 of this Letter of Offer.

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: +91-44-40020710 / 0706 / 0741

Updation of Email address/ mobile number in the records maintained by the Registrar of our Company: Cameo Corporate Services Limited <https://rights.cameoindia.com/edvenswa>

Updation of Indian address in the records maintained by the Registrar or our Company by email to investor@cameoindia.com.

Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/edvenswa>(RTA website)

Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: [\[priya@cameoindia.com\]](mailto:priya@cameoindia.com)

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash 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 dematerialised

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, fixed in consultation with the Designated Stock Exchange, but excludes persons not eligible under applicable laws, rules, regulations and guidelines.

Rights Entitlements

Eligible Equity Shareholders whose 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, may be entitled to subscribe to the number of Rights 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 (<https://rights.cameoindia.com/edvenswa>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.klk.co.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. 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 (RTA Website <https://rights.cameoindia.com/edvenswa>). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Issue Materials: (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard.

The Letter of Offer will also be provided to any existing Shareholder who makes a request in this regard.

The Issue Materials may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange website. The distribution of the Issue Materials and the issue of Rights 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 Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Materials 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 the Issue Materials should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Materials in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Issue Materials 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 the Issue Materials. Any person who acquires Rights Entitlements or makes an application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Issue Materials, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹10/-.

Issue Price

Each Rights Equity Share is being offered at a price of ₹25/- per Rights Equity Share (including a premium of ₹15/- per Rights Equity Share) in this issue. Investors will have to pay the entire offer price i.e., ₹25/- per Rights Equity Share at the time of Application.

Ranking of Equity Shares

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Share for every 1 (One) Equity Share held by the Eligible Equity Shareholders as on the Record Date, which will be credited in the demat account of the Applicant after the Allotment.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Shares for every 1 (One) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. In terms of present ratio, there will be no fractional shares.

Process of Credit of Rights Entitlements in dematerialised account

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 Rights 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, “Edvenswa Enterprises Limited a/c”) opened by our Company, for the Eligible Equity Shareholders holding Equity Shares in physical form.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the 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 INE125G20014. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

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 the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by March 02, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date i.e., by March 06, 2023 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 the Company or the Registrar account is active to facilitate the aforementioned transfer.

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.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “**PROCEDURE FOR APPLICATION**” ON PAGE 191.

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 relevant circulars, 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 favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other relevant circulars, 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. For details, see “*Procedure for Renunciation of Rights Entitlements*” on page 193.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI Circular No. 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 the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Trading of the Rights Entitlements

In accordance with the SEBI January 22 - Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchange under ISIN INE125G20014. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+1 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from February 16, 2023 to March 01, 2023 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see “*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*” and “*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*” on page 193 and page 194, respectively.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

90,80,000 Rights Equity Shares are being offered at a price of ₹25/- per Rights Equity Share (including a premium of ₹15/- per Rights Equity Share). Investors will have to pay the entire offer price i.e., ₹25/- per Rights Equity Share at the time of Application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations and SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021. 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.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights 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 Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received In-principle approval from the BSE through its letter bearing reference number DCS/RIGHT/JR/FIP/3023/2022-23 dated January 13, 2023. Our Company will apply to the Stock Exchange for its 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 this Issue will trade after the listing thereof.

The existing Equity Shares are listed on BSE (**Scrip Code: 517170**) under the **ISIN: INE125G01014**. The Rights Equity Shares shall be credited to temporary ISINs 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 Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity of our Company 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 Rights 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, we 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 Rights 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 our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see “*Capital Structure - Intention and extent of participation by our Promoter and Promoter Group*” on page 41.

Rights of holders of Rights Equity Shares of our Company

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

- The Rights Equity Shares shall rank pari-passu with the existing Equity Shares in all respects.
- The right to receive dividend, if declared;
- The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares;
- The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialized mode is one Equity Share.

Minimum Subscription

The Issue is subject to being in receipt of minimum subscription of 90.00% of the Issue in accordance with the provisions of Regulation 86 of SEBI (ICDR) Regulations. If in the event our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors shall pay interest for the delayed period, at such rates as prescribed under the applicable laws

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. Application forms 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 Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights 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 dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

Our Rights Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Issue Materials (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders, in each case who make a request in this regard.

The Letter of Offer will also be provided by our Company to any existing Shareholder who makes a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

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, one Hindi language national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of our Company is situated.

The Issue Materials shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to non-resident Eligible Equity Shareholders/Investors

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the 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 in 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 Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements 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 Cameo Corporate Services Limited at priya@cameoindia.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 to the e-mail address of non-resident Eligible Equity Shareholders who have provided an Indian address 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. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights 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 Rights 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 and the Lead Manager.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the 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 the RBI and to obtain prior approval from RBI for applying in this Issue.

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. through email to priya@cameoindia.com.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see *“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”* on page no. 196.

The Lead Manager, 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.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least three days before the Issue Opening Date.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the 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 or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/edvenswa>. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

our Company at www.klk.co.in;
the Registrar at <https://rights.cameoindia.com/edvenswa>;
the Lead Manager at www.finshoregroup.com;
the Stock Exchange at www.bseindia.com

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (<https://rights.cameoindia.com/edvenswa>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.klk.co.in).

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application 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 Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB;

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected,

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Grounds for Technical Rejection” on page 200. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any 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 an application that is available on the website of the Registrar, Stock Exchange, Lead Manager or on a plain paper with the same details as per the Application Form available online. 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, see “Application on Plain Paper under ASBA process” on page 195.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights 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:

- apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application 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.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization 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.

Self-Certified Syndicate Banks

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>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application 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, 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.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section **“Application on Plain Paper under ASBA process”** on page 195.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 (One) Rights Equity. Where the number of additional Rights 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 Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section **“Basis of Allotment”** on page 204.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. 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 Rights Equity Shares while submitting the Application through ASBA process.

Procedure for Renunciation of Rights Entitlements

The Investors 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; or (b) through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors 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.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors 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.

The Lead Manager and 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 Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The marketable lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from February 16, 2023 to March 01, 2023 (both days inclusive).

The Investors 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 - INE125G20014 (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors 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+1 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 Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, 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 Investors 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.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper. 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 address outside India. 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 bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being **“Edvenswa Enterprises Limited”**;
- 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);
- Registered Folio No./DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialised form;
- Number of Rights Equity Shares entitled to;
- Total number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹25/- each for Rights Equity Shares issued in one Rights Entitlement;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- 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, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
- 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 Rights Equity Shares applied for pursuant to this Issue;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- 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
- In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/We will not offer, sell or otherwise transfer any of the 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 investors 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 Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act ("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 Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, their 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, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/edvenswa>.

I/ We acknowledge that Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date".

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 ASBA facility, the Investor 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 Investor'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 Investor 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 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, 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 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.

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 Rights 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 Rights 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 resident 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.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit at <https://rights.cameoindia.com/edvenswa>.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

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 Eligible Equity Shareholders can access the Application Form from:
 - our Company at www.klk.co.in;
 - the Registrar at <https://rights.cameoindia.com/edvenswa>;
 - the Lead Manager at www.finshoregroup.com;
 - the Stock Exchanges at www.bseindia.com

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (<https://rights.cameoindia.com/edvenswa>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.klk.co.in);

The Eligible Equity Shareholders shall, on or before the Issue Closing Date submit the Application Form to the Designated Branch of the SCSB or online/electronic Application 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.

Further, such resident Eligible Equity Shareholder can:

- apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
- apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
- apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS 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 INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 204.

General instructions for Investors

- a. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- b. Please read the instructions on the Application Form sent to you.
- c. The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- d. Application should be made only through the ASBA facility.
- e. 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 the 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.
- f. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 195.
- g. An Investor participating in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

- h. Applications should be 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. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- i. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.
- j. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- k. 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 Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- l. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- m. 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 Investors must sign the Application as per the specimen signature recorded with the SCSB.
- n. 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.
- o. All communication in connection with Application for the Rights Equity Shares, including any change in address 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 numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address 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 Shares in physical form.
- p. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- q. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications.
- r. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- s. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

- t. Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

Do's:

- a. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors 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.
- b. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- c. 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.
- d. Investors should provide correct DP ID and client ID/ folio number 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. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- a. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- b. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- c. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- d. Do not pay the Application Money in cash, by money order, pay order or postal order.
- e. Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- a. Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- b. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- c. 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.
- d. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e. 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 and have signed the same.
- f. 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.
- g. 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.
- h. 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.

- i. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021

Don'ts for Investors applying through ASBA:

- a. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- c. Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (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.
- d. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a. DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar/Depositories.
- b. Sending an Application to the Registrar, Escrow Collection Banks (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 or our Company.
- c. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- d. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- e. Account holder not signing the Application or declaration mentioned therein.
- f. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account.
- g. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- h. 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).
- i. 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.
- j. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- k. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- l. Physical Application Forms not duly signed by the sole or joint Investors.
- m. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- n. If an Investor 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 Investor to subscribe to their Rights Entitlements.
- o. 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) or other jurisdictions where the offer and sale of the Rights 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) outside India and the United States and is a foreign

corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

- p. Applications which have evidence of being executed or made in contravention of applicable securities laws.
- q. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar/Depositories.
- r. Applications supported by amounts blocked from a third party bank account.
- s. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

Depository account and bank details for Investors holding Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number 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. Hence, Investors 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 Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email 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 Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor 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 Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes 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.

Mode of payment for Resident Investors

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 Investors

1. As regards the Application by non-resident Investors, the following conditions shall apply:
2. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company or to their email addresses; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders at (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

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 the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights 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.

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.

Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. 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" below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is March 08, 2023, i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “**Basis of Allotment**” on page 204.

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.

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, applying through ASBA facility, may withdraw their application post the Issue Closing Date.

Issue Schedule

| | |
|--|--------------------------|
| Last Date for credit of Rights Entitlements[®] (on or before) | <i>February 15, 2023</i> |
| Issue Opening Date | <i>February 16, 2023</i> |
| Last Date for On Market Renunciation* | <i>March 01, 2023</i> |
| Issue Closing Date[#] | <i>March 08, 2023</i> |
| Finalizing of Basis of Allotment with the Designated Stock Exchange (on or about) | <i>March 15, 2023</i> |
| Date of Allotment (on or about) | <i>March 16, 2023</i> |
| Date of Credit (on or about) | <i>March 20, 2023</i> |
| Date of listing / Commencement of trading of Equity Shares on the Stock Exchanges (on or about) | <i>March 23, 2023</i> |

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the main board platform of BSE are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE in accordance with the applicable laws.

[®]In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the Physical Shareholders as on Record Date, have to furnish the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date to enable us to process the credit of Rights Entitlementment

* 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.

The Board of Directors 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 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., March 02, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see “**General Information - Issue Schedule**” on page 37.

Our Board may however decide 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).

Basis of Allotment

Subject to the provisions contained in this 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 Rights Equity Shares in the following order of priority:

- a. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b. Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights 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 Rights Equity Shares after making full Allotment in (a) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- c. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a) and (b) above. The Allotment of such Rights 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.
- d. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b) and (c) 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 Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. 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;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. 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 to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will e-mail Allotment advice, refund intimations or demat credit of Shares and/or letters of regret, along with crediting the Allotted Rights 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 15 days from the Issue Closing Date. In case of failure to do so, our Company and the 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 15 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 email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds 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/locked shall be refunded/unblocked. Then blocking 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 unblocking amounts blocked using ASBA facility.

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 Shares

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

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 PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. 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 Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights 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 email 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 Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

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 investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor 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 investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

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. The FPIs who wish to participate in the Offer 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 Shares 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 (iv) 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: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) 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.

Procedure for Applications by AIFs, FVCIs and VCFs

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. 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.

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 incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor 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 the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors 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 Shares; 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 Shares; or otherwise induces directly or indirectly a company to allot, or register any transfer of, Shares 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 for fraud involving an amount of at least ₹ 10 lakh 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 ₹10 lakh 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 ₹ 50 lakh or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch 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.

The Board of Directors 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 cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. 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 Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 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.

Undertakings by our Company

Our Company undertakes the following:

- The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily.
- All steps for completion of the necessary formalities for listing and commencement of trading at all stock exchange where the Right Equity Shares are to be listed are taken within the time limit specified by the SEBI.
- The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.
- Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
- Adequate arrangements shall be made to collect all ASBA applications

Utilisation of Issue Proceeds:

Our Board declares that:

All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.

Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilised; and

Details of all unutilized monies out of this Right Issue referred to in clause (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.

Important

Please read this 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 Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

All enquiries in connection with the Issue Materials must be addressed (quoting the Registered Folio Number 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 “**EDVENSWA ENTERPRISES LIMITED – RIGHT ISSUE**” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

CAMEO CORPORATE SERVICES LIMITED

“Subramanian Building”, No. 1 Club House Road, Chennai 600002, Tamil Nadu, India

Email: priya@cameoindia.com;

Website: <https://rights.cameoindia.com/edvenswa/> / www.cameoindia.com

Investor Grievance Email Id: investor@cameoindia.com

Contact Details: +91-44-40020700 (5 lines)

Contact Person: Ms. K Sreepriya

SEBI Registration No: INR000003753

CIN: U67120TN1998PLC041613

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (<https://rights.cameoindia.com/edvenswa>). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties faced by the investor are (+91-44-40020710 / 0706 / 0741).

This Issue will remain open for a minimum 7 (Seven) days. However, the Board of Directors 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

There are two routes through which foreign investors may invest in India. One is the “automatic route”, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

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 Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates 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 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 between FEMA and such policy pronouncements, FEMA prevails.

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights securities to non-resident shareholders including additional rights securities. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the securities renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. This Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter and Application Form shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only. If an NR or NRI Investors has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights 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 Rights Equity Shares are issued on rights basis.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements and Rights Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Applicants are advised to consult their legal counsel, to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

SECTION X – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialised 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.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts (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 Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the below-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to himabindu@edvenswainc.com.

A. Material Contracts to the Issue

1. Issue Agreement dated November 18, 2022 entered into between our Company and the Lead Manager.
2. RTA Agreement dated November 10, 2022 entered into between our Company and the Registrar to the Issue.
3. Bankers to the Issue Agreement dated January 21, 2023 among our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

B. Material Documents

1. Certified true copies of the Certificate of Incorporation, Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Copy of the resolution passed at the meeting of the Board of Directors authorizing the Rights Issue finalizing the terms of the Issue including Issue Price and Rights Entitlement ratio dated July 28, 2022.
3. Copy of the Resolution passed by our Board dated January 23, 2023 determining the Record Date.
4. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer Statutory Auditors, the Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, the Banker to the Issue and Registrar to the Company for inclusion of their names in this Letter of Offer to act in their respective capacities.
5. Annual Reports of our Company for Fiscals 2022, 2021, 2020, 2019 and 2018.
6. The limited review report dated November 14, 2022 of the Statutory Auditor on the unaudited standalone and consolidated financial statements for the quarter and half year ended September 30, 2022 included in this Letter of Offer.
7. The restated audit report dated December 17, 2022 of the Statutory Auditor, on our Company's Restated Financial Statements for the financial years 2019-20, 2020-21, 2021-22, included in this Letter of Offer.
8. Statement of Tax Benefits report by our statutory auditors, M/s. Anant Rao & Mallik, Chartered Accountants, dated November 28, 2022.
9. Certificate dated January 19, 2023 by M/s. Anant Rao & Mallik, Statutory Auditors, Chartered Accountants
10. In-principle approval dated January 13, 2023 issued by BSE under Regulation 28(1) of the SEBI Listing Regulations.

Any of the contracts or documents mentioned in this 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 Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the rules, regulations/guidelines issued by the Government of India, or the regulations/guidelines 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 Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Letter of Offer are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|--|-----------|
| Mr. Sreenivasa Srekanth Uppuluri DIN: 01275332 Designation: Managing Director | Sd/- |
| Mr. Yerradoddi Ramesh Reddy DIN: 01483626 Designation: Whole time Director | Sd/- |
| Mr. Garimella Jayachand DIN: 03053175 Designation: Independent Director | Sd/- |
| Ms. Srivani Nandiraju DIN: 09556758 Designation: Independent Director | Sd/- |
| Mr. Ravikanth Andhavarapu DIN: 08096853 Designation: Independent Director | Sd/- |

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| SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER Sd/- _____ Mrs. Hima Bindu Dulipala | SIGNED BY CHIEF FINANCIAL OFFICER Sd/- _____ Mr. Uppuluri Krishna Murthy |
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Dated: January 23, 2023

Place: Hyderabad, Telangana, India