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OPTIVALUE TEK CONSULTING LIMITED

CIN: U72200DL2011PLC221539



Our Company was originally incorporated as “Optivalue Tek Consulting Private Limited” under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 27, 2011 bearing Corporate Identification Number U72200DL2011PTC221539 issued by the Registrar of Companies, Delhi and Haryana. Further, our Company was converted in to a public limited Company pursuant to a special resolution passed by our shareholders at the EGM held on May 22, 2024 and consequently the name of our Company was changed to “Optivalue Tek Consulting Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Delhi and Haryana dated September 16, 2024. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U72200DL2011PLC221539. For further details of Incorporation, change of name and registered office of our Company, please refer to chapter titled **“History and Certain Corporate Matters”** beginning on page 132 of this Draft Red Herring Prospectus.

Registered Office: Khasra No. 2/2 and 2/1, Chhattarpur Main Road, Near Sai Baba Mandir, Sawan Public School, South West Delhi, India, 110074 **Tel No:** 011-35725859;; **E-mail:** cs@optivaluetek.com; **Website:** <https://optivaluetek.com/>;

Contact Person: Shraboni Chatterjee, Company Secretary & Compliance Officer

PROMOTERS OF OUR COMPANY: ASHISH KUMAR AND RAGINI JHA

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED MARCH 27, 2025: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 61,69,600 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF OPTIVALUE TEK CONSULTING LIMITED (“OUR COMPANY” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH [●]EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●]% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Potential Bidders may note the following:

1. The Chapter titled **“General- Definitions And Abbreviations”** beginning on page 5 of the Draft Red Herring Prospectus has been updated as provided beginning on page 4 of the Addendum to Draft Red Herring Prospectus;
2. The Chapter titled **“Summary Of The Offer Document”** beginning on page 22 of the Draft Red Herring Prospectus has been updated as provided beginning on page 5 of the Addendum to Draft Red Herring Prospectus;
3. The Chapter titled **“Risk Factors”** beginning on page 27 of the Draft Red Herring Prospectus has been updated as provided beginning on page 6 of the Addendum to Draft Red Herring Prospectus;
4. The Chapter titled **“Particulars to the Issue-Objects of The Issue”** beginning on page 77 of the Draft Red Herring Prospectus has been updated as provided beginning on page 15 of the Addendum to Draft Red Herring Prospectus;
5. The Chapter titled **“About the Company-Our Business”** beginning on page 107 of the Draft Red Herring Prospectus has been updated as provided beginning on page 23 of the Addendum to Draft Red Herring Prospectus;
6. The Chapter titled **“About the Company -Key Industry Regulations and Policies”** beginning on page 132 of the Draft Red Herring Prospectus has been updated as provided beginning on page 30 of the Addendum to Draft Red Herring Prospectus;
7. The Chapter titled **“About the Company –History and Certain other matters”** beginning on page 125 of the Draft Red Herring Prospectus has been updated as provided beginning on page 31 of the Addendum to Draft Red Herring Prospectus;
8. The Chapter titled **“About the Company -Our Management”** beginning on page 136 of the Draft Red Herring Prospectus has been updated as provided beginning on page 32 of the Addendum to Draft Red Herring Prospectus;
9. The Chapter titled **“Financial Statements - Management’s Discussion And Analysis Of Financial Position And Results Of Operations”** beginning on page 199 of the Draft Red Herring Prospectus has been updated as provided beginning on page 33 of the Addendum to Draft Red Herring Prospectus;

10. The Chapter titled “**Legal And Other Information-Outstanding Litigations and Material Developments**” beginning on page 211 of the Draft Red Herring Prospectus has been updated as provided beginning on page 35 of the Addendum to Draft Red Herring Prospectus;
11. The Chapter titled “**Legal And Other Information-Government and Other Approvals**” beginning on page 211 of the Draft Red Herring Prospectus has been updated as provided beginning on page 36 of the Addendum to Draft Red Herring Prospectus;
- 12.
13. The Chapter titled “**Other Regulatory And Statutory Disclosures**” beginning on page 217 of the Draft Red Herring Prospectus has been updated as provided beginning on page 37 of the Addendum to Draft Red Herring Prospectus;
14. The Chapter titled “**Issue Information-Terms of the Issue**” beginning on page 217 of the Draft Red Herring Prospectus has been updated as provided beginning on page 38 of the Addendum to Draft Red Herring Prospectus;
15. Please note that all other details in, and updates to the Red Herring Prospectus/ Prospectus with respect to issue price and/or other relevant details will be carried out in the Red Herring Prospectus, as and when filed with ROC, SEBI and the Stock Exchange.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus/ Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

On behalf of Optivalue Tek Consulting Limited

Place: Delhi.
Date: July 08, 2025

Sd/-
Shraboni Chatterjee
Company Secretary & Compliance Officer

BOOK RUNNING LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
			
SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED CIN: U65923UP2016PTC075987 Address: A-25 Basement, Sector - 64, Gautam Buddha Nagar, Noida, Uttar Pradesh-201301 Tel. No.: 0120-4910000 E-mail id: kunal.bansal@shareindia.co.in Investor Grievance E-mail id: mb@shareindia.com Contact person: Mr. Kunal Bansal Website: www.shareindia.com SEBI Registration Number: INM000012537		CAMEO CORPORATE SERVICES LIMITED CIN: U67120TN1998PLC041613 Address: "Subramanian Building", No. 1, Club House Road, Chennai - 600 002, India Tel No.: +91-44-40020700 Email Id: ipo@cameoindia.com Investor Grievance E-mail Id: investor@cameoindia.com Contact Person: Ms. K. Sreepriya Website: www.cameoindia.com SEBI Registration No.: INR000003753	
BID/ISSUE PROGRAMME			
ANCHOR PORTION ISSUE OPENS/CLOSES ON*: ●		BID/ISSUE OPENS ON**:	BID/ISSUE CLOSES ON**:

*Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

**Our Company, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.

***The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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SECTION I- GENERAL
DEFINITIONS AND ABBREVIATIONS

INDUSTRY/BUSINESS RELATED TERM

Term	Description
KPIs Key Performance Indicators	Key Performance Indicators (KPIs) are measurable values that demonstrate how effectively a company, department, or individual is achieving specific business objectives.
SI s	System Integrators

SECTION II- SUMMARY OF THE OFFER DOCUMENT

Summary of Related Party Transactions

A summary of related party transactions entered into by our Company with related parties and as disclosed in the Restated Financial Statements for half year ended September 30, 2024, Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022 are as follows:

Transactions:

Name of the Related Party	Relationship	Nature of Transaction	For the September 30, 2024	% of revenue	For the year ended March 31, 2024	% of revenue	For the year ended March 31, 2023	% of revenue	For the year ended March 31, 2022	% of revenue
Ashish Kumar	Key Managerial Personnel	Remuneration	11.88	0.52%	23.76	0.65%	23.76	0.61%	23.76	0.82%
Ragini Jha	Key Managerial Personnel	Remuneration	5.88	0.26%	11.76	0.32%	11.76	0.30%	11.76	0.40%
Total			2263.12	0.78%	3656.04	0.97%	3884.32	0.91%	2914.31	1.22%

Outstanding Balances:

Name of the Related Party	Relationship	Nature of Transaction	As on September 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Ashish Kumar	Director	Unsecured Loan From Director	102.66	132.16	216.85	269.99

SECTION III-RISK FACTORS

- 1. We have not entered into any long-term contracts with our customers, including our key system integrator clients, and operate primarily on the basis of work orders, which could adversely impact our revenue and profitability.**

Although, we do not generally enter into long-term contracts with our customers. Instead, we operate on a work order or project-specific engagement basis. A significant portion of our revenue is derived from a limited number of customers, the majority of whom are **system integrator clients** for whom we execute projects as a subcontractor or service provider. These relationships are typically non-exclusive and subject to change based on project requirements, budget allocations, or customer discretion.

As on September 30, 2024, our top 10 customers contributed **76.64%** of our total sales, with the top 5 accounting for **62.39%**. The details over the past years are as follows:

Particulars	As on September 30, 2024		FY 2024		FY 2023		FY 2022	
Customers	Amount (in Rs. Lakhs)	%	Amount (in Rs. Lakhs)	%	Amount (in Rs. Lakhs)	%	Amount (in Rs. Lakhs)	%
Top 10 Customers	1734.57	76.64	3360.82	91.32	3227.14	83.08	2693.80	92.43
Top 5 Customers	1412.23	62.39	2982.87	81.59	2500.75	64.39	2217.07	76.07

Given that we do not have long-term contracts in place, there is no guarantee that our customers—including system integrators—will continue to award us projects at the same level as in the past, or at all. If any of our key customers reduce their business with us or decide to work with other service providers, it could significantly affect our revenue, profitability, and overall business performance. Additionally, many of our customers, especially system integrators, have strict requirements regarding timelines, quality, and service standards. If we fail to meet these expectations, we risk losing work orders, future business opportunities, or even ongoing projects, which could negatively impact our financial results and operations.

However, we have historically maintained strong and long-standing relationships with several of our key system integrator clients, which has resulted in repeat business and continued project engagements over the years. This track record provides a degree of confidence in the continuity of our customer base, though it does not eliminate the risks inherent in our current business model.

- 2. Dependence on government and government-funded entities may adversely impact our business and financial performance.**

The Company will derives a certain portion of its revenue from business transactions and associations with government departments, agencies, and government-funded entities. These transactions are subject to risks inherent in dealing with governmental authorities, including, but not limited to, changes in government policies, reduction in budgetary allocations, delays in project approvals or payments, and potential preference given to public sector or local competitors. Moreover, government entities may have the right to unilaterally terminate contracts or modify terms, and are often subject to procedural delays and extended payment cycles, which could adversely impact the Company's working capital and liquidity position. Any material reduction in orders or delays in payments from such entities, or any adverse policy developments affecting the sectors in which these government entities operate, could adversely affect the Company's business, financial condition, results of operations and cash flows.

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

Our continued growth depends in part on the ability of our existing and potential customers to access our solutions at any time. Although there have not been instances in the past where interruptions or problems with our technology and infrastructure have caused performance issues, we may in future experience disruptions, data loss, outages and other performance problems with our technology infrastructure due to a variety of factors, including infrastructure changes,

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

4. Estimates related to the cost of setting up our Bangalore branch office are based on third-party quotations and are subject to variation at the time of actual implementation”.

The cost estimates for establishing our branch office in Bangalore are based on quotations received from M/s Fidelitus Corp Property Services Private Limited, located at MFAR 2 B – Building, Bangalore, and Karnataka – 560070, dated February 25, 2025. These quotations were valid for a period of three months from the date of issuance.

As these quotations are time-bound and based on prevailing market conditions, there can be no assurance that the actual costs incurred at the time of execution will be in line with the estimates provided. Factors such as fluctuations in material and labour costs, changes in scope, availability of resources, and inflation may lead to variations in the final expenditure.

Any material deviation in the actual costs compared to the estimates may impact our planned capital outlay, internal budgeting, and financial projections, and could adversely affect our results of operations, cash flows, and overall financial condition.

6. Service Disruptions, Defects, or Misuse Could Harm Our Business and Result in Liability.

We may be held liable and lose customers if our services experience defects, disruptions, or performance issues, or if we deliver poor service. As a provider of critical technology solutions, any failure in our service delivery—including outages, bugs, or errors—could negatively impact our customers' operations and lead to substantial claims, even if the issue was not directly our fault.

Although such events have not occurred to date, future incidents could result in contract cancellations, delayed or withheld payments, extended collection cycles, increased bad debt provisions, or litigation. Additionally, misuse of our platforms may result in further liability or reputational harm. Our software solutions are highly complex and may contain undetected defects despite rigorous testing. Any such issues could lead to customer dissatisfaction, legal claims, or loss of business, adversely affecting our financial performance and operations.

7. Our Company has not fulfilled its CSR obligation u/s 135 of the Companies Act, 2013 for the F.Y. 2021-22. Such noncompliance/ default may attract penalties on the Company and its Directors.

Pursuant to Section 135 of the Companies Act, 2013, the Company became liable to fulfill its Corporate Social Responsibility (CSR) obligations for the financial year 2022–23, based on a profit after tax of ₹526.07 lakhs reported for FY 2021–22. Accordingly, the prescribed CSR amount was ₹6.58 lakhs, representing 2% of the average net profits of ₹329.05 lakhs calculated below in accordance with Section 198 of the Act over the preceding three financial years. However, the Company defaulted in fulfilling this CSR obligation.

This ₹6.58 lakhs amount remained unspent and was not transferred within six months from the end of the financial year to the fund specified in Schedule VII of the Act, in violation of Section 135 read with Rule 10 of the Companies (CSR Policy) Rules, 2014. The Company subsequently remitted ₹4.75 lakhs to the PM CARES Fund in November 2024 and ₹2 lakhs in March 2025. The Company has filed an application for compounding of the default under Section 441 of the Companies Act, 2013 with the Registrar of Companies.

While no notices or actions have been initiated by regulatory authorities to date, there is no assurance that such proceedings will not be initiated in the future. If regulatory action is taken, the Company may be subject to penalties, additional liabilities,

or other adverse consequences that could impact its financial condition or reputation.

(Amount in Lakhs)

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2021	Period Ended March 31, 2022
Actual PAT	72.58	111.76	526.07
Profit before tax	97.46	138.94	750.73
Net Profit as per Sec 198	97.46	138.94	750.73
Avg Net Profit (ANP)	-	-	329.05
2% of ANP (3 preceding years)	-	-	6.58
Amount To be Spent for CSR	-	-	6.58
Amount Spend	-	-	6.75
Amount outstanding	-	-	Nil

8. Our Company logo “” is not registered with Registrar of Trademark; any infringement of our brand name or failure to get it registered may adversely affect our business. Further, any kind of negative publicity or misuse of our brand name could hamper our brand building efforts and our future growth strategy could be adversely affected.

The Company’s logo “” is currently not registered with the Registrar of Trademarks. Any infringement on our brand name or failure to secure registration may negatively impact our business. Additionally, any misuse or negative publicity related to our brand could hinder our efforts to build and strengthen our brand image, which is crucial for our growth strategy. If we are unable to register our intellectual property in the future, or if we face objections during the registration process, we may need to change our logo, potentially losing the goodwill we have established. Furthermore, this could lead to costly litigation and potential penalties if someone else misuses our name or logo. However, we are in a process of filing the trademark application with Registrar of Trademark.

We have filled the trademark application with the Registrar of Trademarks. However, there is no assurance that the application will be approved without objections or legal challenges. We believe our future growth and competitiveness will depend on our ability to establish a strong brand identity. However, without a registered logo, we cannot guarantee the creation of a lasting brand image with our clients or the public. While we believe our current systems are sufficient to protect our confidential information and intellectual property, there is no assurance that our proprietary technology, trade secrets, or intellectual property will not be copied or infringed upon by third parties. Our efforts to protect our intellectual property may not always be sufficient, which could erode the value of our business and negatively affect our operations. This may result in litigation, which could be time-consuming and costly, with an uncertain outcome. Additionally, our ability to detect unauthorized use of our intellectual property and take timely action may be limited, further impacting our business, financial condition, and operational results

14 Our company has experienced delayed filings of certain e-forms under Companies Act, 2013 with Registrar of Companies which could potentially attract penalties, fines and other regulatory actions.”

Our Company has, in the past, experienced delays in the filing of certain forms with the Registrar of Companies (ROC) as required under the Companies Act, 2013. These delays could potentially attract penalties, fines, and other regulatory actions against our Company, which may adversely affect our financial condition and reputation. The Company is committed to complying with all notices, orders, fines, penalties, and other regulatory actions

The details of delayed forms and non-filing of forms filed by our company is provided below:

Particulars of Delayed Form	Due Date of Filing	Actual Date of Filing	No. of days of Delays	Reasons for Delay	Remedial Measures taken
MR-1	Within 60 Days of Passing of	22-01-2025	15 days	Due to Administrative Reasons	MR-1 was filed late i.e. after due date and therefore the company

	Resolution (7th Jan 2025)				had paid additional fees as penalty for delayed filing
MR1	Within 60 Days of Passing of Resolution (7th Jan 2025)	31-01- 2025	24 days	Due to Administrative Reasons	MR-1 was filed late i.e. after due date and therefore the company had paid additional fees as penalty for delayed filing
MGT-14	Within 30 Days of Passing of Resolution (24th Nov 2024)	22-03- 2025	180 days	Due to Administrative Reasons	Form MGT-14 was filed late i.e. after due date and therefore the company had paid additional fees as penalty for delayed filing
MGT-14 Conversion (EGM)	Within 30 Days of Passing of Resolution (21st June 2024)	22-06- 2024	1 days	Due to Administrative Reasons	Form MGT-14 was filed late i.e. after due date and therefore the company had paid additional fees as penalty for delayed filing.
MGT-14	Within 30 Days of Passing of Resolution (25th Nov 2024)	06-12- 2024	10 days	Due to Administrative Reasons	Form MGT-14 was filed late i.e. after due date and therefore the company had paid additional fees as penalty for delayed filing
DPT 3	(30th June 2023) of the Year	21-11- 2024	510 days	Due to lack of Professional Knowledge	Form DPT-3 was filed late i.e. after due date and therefore the company had paid additional fees as penalty for delayed filing
DPT 3	(30th June 2022) of the Year	21-11- 2024	875 days	Due to lack of Professional Knowledge	Form DPT-3 was filed late i.e. after due date and therefore the company had paid additional fees as penalty for delayed filing.
DPT 3	(30th June 2020) of the Year	21-11- 2024	1240 days	Due to lack of Professional Knowledge	Form DPT-3 was filed late i.e. after due date and therefore the company had paid additional fees as penalty for delayed filing.
DPT 3	(30th June 2021) of the Year	21-11- 2024	1605 days	Due to lack of Professional Knowledge	Form DPT-3 was filed late i.e. after due date and therefore the company had paid additional fees as penalty for delayed filing.
INC-27	Within 30 Days of Passing of Resolution (22nd June 2024)	25-08- 2024	65 days	Due to Administrative Reasons	Form INC-27 was filed late i.e. after due date and therefore the company had paid additional fees as penalty for delayed filing.
AOC-4	Within 00 Days of AGM	14-11- 2024	77 days	Due to Administrative Reasons	AOC-4 was filed late i.e. after due date and

	(30th Aug 2024)				therefore the company had paid additional fees as penalty for delayed filing.
MGT-7	Within 60 Days of AGM (30th Sep 2024)	13-11-2024	45 days	Due to Administrative Reasons	MGT-7 was filed late i.e. after due date and therefore the company had paid additional fees as penalty for delayed filing.
CHG-1	Within 60 Days of creation of Charge.	-	--	Company had availed certain car loans for which the charge was not registered as required under Section 77 of the Companies Act, 2013. However, the said loans have since been fully repaid and closed. No compounding application has been filed by the Company in this regard, and no show-cause notice or penalty has been issued by any regulatory authority to date. Moreover, the ROC may issue a notice under Section 86 of the Companies Act, 2013, for contravention of the provisions of Section 77, and may levy penalties on the company as well as every officer of the company who is in default.	-

While the Company has appointed Company secretary and compliance officer to ensure timely compliance in the future, any recurrence of such delays could result in additional penalties and may also impact our ability to undertake certain corporate actions that require Registrar of Companies (ROC) clearance. There can be no assurance that any such delays or associated penalties will not occur in the future.

15. The Company may not be able to sustain historical growth rates, and past performance may not be indicative of future results.

The Company has experienced growth in its operations, revenue, and profitability in prior periods; however, there can be no assurance that such growth will continue in the future. Various factors, including changes in market conditions, increased competition, regulatory developments, evolving customer preferences, or internal operational challenges, may affect the Company's ability to maintain its historical growth trajectory. As a result, the Company's past financial and operational performance should not be considered a reliable indicator of future growth, financial results, or business prospects. Any inability to sustain past performance levels may adversely affect the Company's financial condition, results of operations, and valuation.

17. The Company's plan to expand operations into new sectors and regions where it does not have significant presence or prior experience, and to offer advanced technology solutions, may pose operational and financial challenges and may not achieve the expected results".

As part of its growth strategy, the Company intends to expand its operations and establish a network of customers in sectors and regions where it currently lacks significant presence and operational experience. This includes the introduction and deployment of advanced technology solutions (i.e Digital Twin Systems, Synthetic Air Traffic Systems and Data Analytics Systems) as further detailed on pages 78 to 80 of this Draft Red Herring Prospectus. While these initiatives are aimed at broadening the Company's market reach and enhancing its value proposition, they may expose the Company to unfamiliar regulatory environments, competitive dynamics, customer expectations, and operational challenges. Failure to effectively manage these risks or to achieve the anticipated customer traction and revenue growth from these new initiatives may adversely affect the Company's business prospects, financial condition, and results of operations

18. Dependence on third-party service providers and consultants may adversely affect our operations and financial

performance”.

The Company relies on third-party service providers and key vendors for certain operational and support functions. If any such third-party providers fail to deliver services in a timely and effective manner or do not fulfil their contractual obligations, it may result in disruptions to the Company’s operations, delays in project execution, increased costs, or a decline in service quality. Such disruptions could adversely impact the Company’s business operations, customer satisfaction, and financial results.

A majority of these third-party service providers currently comprise consultants engaged by the Company. While these arrangements offer flexibility and access to specialized expertise, continued reliance on consultants may involve operational and cost-related risks. The Company plans to reduce its dependence on consultants in the future by building internal capabilities and enhancing in-house resource management.

20. Our Existing Indebtedness Exposes Us to Certain Risks That May Adversely Affect Our Business, Financial Condition, and Results of Operations.

As of September 30, 2024, our total outstanding indebtedness (both secured and unsecured) stood at ₹301.18 lakhs. For more information, refer to the “Statement of Financial Indebtedness” on page 198 of this Draft Red Herring Prospectus. Our ability to raise additional borrowings and the terms thereof depend on our financial position, the stability of our cash flows, prevailing market conditions, and the overall economic and political environment in the regions where we operate.

While we have obtained the requisite No Objection Certificate (NOC) from our lender to proceed with the proposed Initial Public Offering (IPO), our indebtedness may still subject us to certain financial and operational risks, including:

1. Increased vulnerability to adverse economic, industry, or competitive developments;
2. Reduced flexibility in responding to changes in our business environment;
3. Limitations on our ability to raise additional debt in the future;
4. Higher interest expenses that could adversely impact our profitability.

Further, in the event of a loan recall on short notice, we may need to secure alternative funding to meet our obligations, which could strain our cash flows and adversely affect our financial condition.

21. We have experienced negative operating cash flows in the past. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions.

The detailed break up of cash flows based on Restated Financial Statements is summarized in below table and our Company has reported negative cash flow from operating activity in the financial year 2021-22 is as mentioned below, which could affect our business and growth. However, the company will endeavor to maintain positive net cash flow:

(Amount in Lakhs)

Particulars	For the Period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022	Reasons

Net cash from Operating Activities	125.43	660.95	259.65	(395.73)	Operating Cash Flows for the financial year 2021-22 are negative because the revenue increases exponentially, which causes an increase in our debtors and other current assets from Rs. 104.76 Lakhs to Rs. 1002.82 Lakhs and from Rs. 12.73 Lakhs to Rs. 210.90 Lakhs respectively. Therefore, the operating cash flow becomes negative.
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22. Unfavorable Media Coverage or Negative Publicity of Our Partners May Adversely Affect Our Brand, Business, Financial Condition, Cash Flows, and Results of Operations.

The Company's business and reputation may be impacted by the media coverage or publicity associated with its business partners, affiliates, or suppliers. Any negative publicity or unfavourable media coverage of the companies with whom the Company has partnered could harm the Company's brand image, customer perception, and market standing. Such negative attention could also have a cascading effect on the Company's financial performance, affecting its cash flows, profitability, and results of operations, even if the Company itself is not directly involved in the matter at hand.

23. High Employee Attrition could adversely affect our business operations.

Our business is highly dependent on the continued service and performance of our employees. The loss of key personnel or high levels of attrition could adversely affect our ability to execute business strategies, deliver projects on time, and maintain client relationships.

We have experienced varying levels of employee attrition over the years, as reflected in the table below:

Particulars	For the period ended September 30, 2024	For the Financial Year ended on March 31, 2024	For the Financial Year ended on March 31, 2023	For the Financial Year ended on March 31, 2022
Total Employees at start	69	48	20	4
Employees Left	17	26	12	2
Total Employees at the end of the period	71	69	48	20
Average no of employees during the period	70	58.5	34	12
Attrition Rate (%)	24.29 %	44.44 %	35.29 %	16.67 %

This level of attrition may reflect challenges in retaining skilled personnel, sustaining employee morale, and competing for talent in a dynamic labor market. Elevated attrition can lead to increased recruitment and training expenses, temporary disruptions in operational continuity, and potential delays in the execution of client deliverables.

While these factors may pose risks to our ability to scale operations, maintain service quality, and achieve strategic objectives, we are continuously enhancing our human resource practices. Through targeted retention initiatives, employee engagement programs, and a focus on professional development, we are actively working to strengthen workforce stability and support long-term organizational growth.

25. Our Company has entered into related party transactions in the past and may continue to enter into related party transactions in the future, which may potentially involve conflicts of interest with the equity shareholders.

Our Company has entered into related party transactions with our Promoters and Directors in the past. For further details, please refer to "Annexure 31 of Restated Financial Statements" under the chapter titled "Restated Financial Statements" beginning on page 159 of this Draft Red Herring Prospectus. While all such transactions have been conducted on an arm's length basis and in compliance with the provisions of the Companies Act, 2013, there is no assurance that more favorable terms could not have been achieved had these transactions been with unrelated third parties.

We may continue to enter into related party transactions in the ordinary course of business. Although such transactions are subject to applicable compliance requirements under the Companies Act, 2013 and SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations—such as obtaining prior approvals from the Audit Committee, Board of Directors, or shareholders, as applicable—there remains a risk that these transactions could give rise to potential conflicts of interest.

While the Company is committed to ensuring that all related party transactions are not prejudicial to the interests of the Company or its shareholders, there can be no assurance that such transactions, whether individually or collectively, will not have an adverse impact on our financial condition, results of operations, or corporate governance.

26. Promoter's Substantial Shareholding May Impact the Control and Governance of the Company.

After the completion of the Offer, the Promoter's, will continue to collectively hold a substantial percentage of the Company's equity share capital. As a result, they will retain significant influence, and potentially effective control, over key aspects of the Company's operations and decision-making processes. This influence includes, but is not limited to, the ability to appoint or remove directors, determine business strategy, approve mergers and acquisitions, influence dividend policy, and vote on other matters requiring shareholder approval.

While this level of control may provide continuity and long-term strategic vision, it may also limit the ability of other shareholders to influence corporate decisions. There is a risk that the interests of the Promoter's may not always align with the interests of other investors or the Company as a whole.

28. Our Company has not taken insurance policies to cover certain losses, in case of any loss or disruption which may damage or cause any operating hazards or may adversely effect on our business.

Our Company does not maintain insurance for certain critical assets, including our registered office and computer equipment. Without coverage for property damage, theft, or equipment failure, we are exposed to substantial financial risk in the event of unforeseen incidents. This could result in costly repairs, replacements, or disruptions in operations.

Additionally, we have not obtained other essential insurance policies, such as those for cyber liability, product liability, or key man insurance for key management personnel. The absence of these policies increases the risk of financial loss in case of legal claims, data breaches, or other business disruptions. No insurance claims have been made in the past three financial years.

29. Risk Related to Limited Experience of Directors with Listed Entities

Our Company's Board of Directors and senior management have limited or no prior experience in managing a listed entity. Compliance with the regulatory and disclosure requirements under the [SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / applicable securities laws] may pose operational challenges, and any failure to comply may lead to penalties or reputational harm, which could adversely affect our business and the market price of our equity shares."

34. We have not entered into definitive arrangements for the deployment of certain portions of the Net Proceeds of the Offer, and the costs for the identified objects are based on management estimates or vendor quotations, which may be subject to change.

Currently, the Company has not entered into binding agreements or definitive arrangements for the utilization of certain portions of the Net Proceeds of the Offer. The estimated costs in relation to such objects of the Offer are based on quotations received from vendors or internal estimates made by the management, which are indicative in nature and may not reflect the actual costs to be incurred at the time of implementation.

There can be no assurance that the actual deployment of such Net Proceeds will not differ materially from the estimates provided. The Company intends to finalize the necessary arrangements and commence deployment of the Net Proceeds for these purposes after the completion of the Offer, in accordance with applicable laws and regulations. Any delay in finalizing such arrangements or any material deviation in costs may impact the timing and effectiveness of the proposed objects of the Offer, which in turn could adversely affect our business operations, financial condition, and growth plans.

37. Any future recognition and subsequent write-down of intangible assets may adversely affect our results of operations and financial condition”.

Currently, the Company does not have any intangible assets recorded in its books of accounts. However, the Company is in the process of developing advanced technology solutions, as detailed on pages 78 to 81 of this Draft Red Herring Prospectus. In accordance with applicable accounting standards, certain expenditures related to these initiatives may be capitalized as intangible assets in the future.

There can be no assurance that such intangible assets, once recognized, will yield the anticipated economic benefits or retain their value over time. Factors such as changes in technology, evolving market conditions, or shifts in customer demand could affect their utility or expected returns. In such cases, the Company may be required to write down the carrying value of these assets.

SECTION VII – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

1A). THE COMPANY INTENDS TO DEVELOP A NEW PRODUCTS

The company intends to start operations in drone analytics as part of its business strategy to continue to stay relevant in its business operations. The integration of advanced technologies with drones, locomotives, and surveillance systems, alongside existing assets, offers the potential for centralized management and efficient monitoring across large and complex environments, such as the Railways and Defence sectors. This integration enables real-time data collection, predictive analytics, and streamlined decision-making—crucial elements for managing operations at scale.

The market for drone analytics integrated with large-scale operations is still in its early stages, with few companies providing solutions that combine drones with advanced data analytics and AI for real-time monitoring and predictive management. We can create our position in the drone analytics space by offering solutions that not only address an existing gap but are also working for future advancements.

1. OptiValue Tek: Intends to develop AI-Powered Drone Analytics for India's Digital Transformation

OptiValue Tek is not just a technology service provider - it enablers of digital transformation across core sectors like Telecom, Banking, Infrastructure, and Retail & Services, etc. Company's strategic expansion into AI-powered aerial analytics and solutions and applications represents a natural evolution of its established capabilities in data processing and engineering, designed to capture significant value from India's rapidly modernizing industrial-tech ecosystem.

Leveraging Core Strengths: A Natural Evolution

This strategic initiative is not a departure into an entirely new field. Instead, it is about **adapting and extending already established technologies** in data processing, data engineering and data analytics to apply to critical, high-impact use cases which require sophisticated real time analysis of data. We are developing sophisticated, centralized efficient and platforms that intelligently combine existing technologies, such as **digital twin systems** and **advanced drone analytics** which require aerial image processing in real time, into highly configurable and scalable solutions. The company already has capabilities to work on data processing and wants to engage in product development to enhance its revenue profile.

Our expertise in:

- **Data Engineering & Processing:** We possess extensive experience in data processing. This new product will leverage this existing expertise to handle and process new, complex datasets generated by drones and sensors, delivering enhanced capabilities especially image processing for large dataset included crowded areas and traffic management. We are not doing anything fundamentally new in data processing, but rather applying our proven skills to a new domain to process larger data faster.
- **AI/ML:** Applying advanced analytics and machine learning models to extract actionable insights from drone data, vital for anomaly detection and predictive maintenance.
- **Cloud Solutions:** Hosting and scaling computationally intensive platforms securely and efficiently on leading cloud environments.
- **Site Reliability Engineering (SRE):** Ensuring the high availability, performance, and resilience of these mission-critical systems.
- **Application & Process Integration:** Seamlessly integrating new capabilities with clients' existing enterprise systems.

Proprietary Innovation & Proven Track Record

While we have consistently worked for our clients in similar segments on different products, this initiative marks a shift as company is developing new product for wider and new applications, and **own the proprietary intellectual property rights**.

This ensures our long-term competitive advantage and builds valuable assets for the company. As of now company is creating these solution on requirement basis after passing on the source code. Our experience is further bolstered by our collaboration with **Aerial IQ during Kumbh Mela 2025**, where we successfully performed similar drone-based data processing, proving our capability in this domain. Since, the product development will lead to long term benefits to company the development is planned to be capitalized.

Varied Applications & Expansive Market Reach

Our new AI-powered drone analytics product is designed with broad applicability, enabling us to serve a diverse client base:

- **Public Sector Clients:** Including Indian Railways, Ministry of Defence, and Smart City initiatives, enhancing predictive maintenance, surveillance, and urban safety.
- **Private Sector Clients:** These could be potential adopters of our platform who are ideally positioned to benefit from automated industrial inspections, digital twin technologies, and real-time IoT analytics. Given their operational scale, asset-intensive environments, and strategic focus on digital transformation, these enterprises represent high-value opportunities for scalable deployment of our solutions.
- **Existing Clients:** We can seamlessly integrate this new product with our current offerings, further deepening relationships with clients for whom we already perform extensive data processing. This allows us to market the product to both new prospective customers and our established client base keeping ownership of intellectual property for long term benefits.

India's government and industrial sectors present immense and actively funded market opportunities, translating into a potential addressable market.

Strategic & Financial Sense

While the initial investment is a calculated outlay, it is aimed at building a robust, multi-industry, cloud-deployable platform. This foundational asset ensures low marginal deployment costs per client, allowing sales to scale exponentially. The conservative **FY27 revenue projection** is merely the entry point into a **rapidly expanding market**, with FY28–30 revenues projected to grow at a higher CAGR once the product is rolled out. This long-term perspective clearly demonstrates the significant and sustained value creation. Furthermore, by developing cutting-edge, India-built solutions, we are strategically aligning with national policies like "Make in India" and "Aatmanirbhar Bharat," fostering long-term partnerships with governmental entities and building a strong knowledge moat.

Conclusion

OptiValue Tek's expansion into AI-powered drone analytics and aerial solutions is not a leap into the unknown, but a strategic and synergistic move that leverages our deep expertise, proven track record, and intellectual property ownership to address high-value problems in critical sectors like defense, railways and urbanization. This initiative will not only enhance shareholder value but also solidify OptiValue Tek's position as a visionary for India's digital transformation, contributing significantly to the nation's technological self-reliance and operational efficiency.

Note: 1. The Company currently does not have any orders in hand related to the proposed product development;

2. The Company has not undertaken any work with the Government sector in the past;

3. No additional government approval is required to undertake afore-mentioned capital expenditure.

RATIONALE FOR HIRING THE NO. OF EMPLOYEES FOR THE NEW PRODUCT DEVELOPMENT:

For Technical Positions

Digital Twin Systems - Estimated Resource count Technical – 16

Synthetic Air Traffic Systems - Estimated Resource count Technical – 6

Data Analytics Systems - Estimated Resource count Technical – 20

Team will consist of below roles

1. Project Manager - Responsible for planning, executing, and delivering projects on time, within scope and budget, while managing teams, stakeholders, and risks to ensure successful outcomes.

2. Frontend Engineer (Developers) - Responsible for developing responsive, user-friendly web interfaces using modern frameworks, ensuring optimal performance, accessibility, and seamless user experience.

3. Backend Engineer - Responsible for designing, developing, and maintaining server-side logic, databases, and APIs to support scalable and secure application functionality.

4. UI/UX Designer - Responsible for designing intuitive, visually appealing, and user-centric interfaces that enhance user experience across digital platforms.

5. Infrastructure Specialists - Responsible for designing, implementing, and maintaining IT infrastructure to ensure reliable, scalable, and secure operations across systems and networks.

6. Testing Specialist - Responsible for designing and executing test plans to ensure software quality, functionality, and performance meet specified requirements.

For Non-Technical Positions

The additional 33 employees being hired are non-technical personnel who will assist the technical team in executing the new project.

The all 75 employees will hired for work in new project.

Comparison of Human Resource Costs to Total Expenses (FY 2021–22 to Sep 2024):

(In rs. Lakhs)				
Description	21-22	22-23	23-24	Sep-24
Consultant Fee	1,849.55	2,659.49	1,721.12	811.37
Employee Cost	230.26	737.87	1,062.39	576.55
HR Cost- Total (A)	2,079.81	3,397.37	2,783.50	1,387.92
Total Expense (B)	2,187.58	3,546.37	2,929.23	1,455.24
HR Cost to Total Expense (A / B)	95.07%	95.80%	95.03%	95.37%

1B). EXPENDITURE FOR SETUP OF BRANCH OFFICE AT BANGALORE BY LEASING A CO-WORKING SPACE

As we plan to develop aforementioned new products, our company needs to establish new office premises in Bangalore by leasing a co-working space, as detailed below. We recognize the importance of developing aforementioned products, so we required office space to accommodate various departments for the including technical, managerial and admin team as part of whole new product development plan. For the human resource we will be hiring on the aforementioned reasons.

A unified workspace for the resources we required on the product development will foster better collaboration, communication, and efficiency. Additionally, investing in cross-training employees will enhance their versatility, making them more adaptable to different roles as needed. However, as part of product development we have taken cost estimate only for team hiring plan as our product development plan.

We have decided to rent office premises instead of investing in a new establishment, as the cost associated with purchasing property and setting up a new office is significantly higher and time-consuming. Establishing a new office involves a substantial upfront investment, including costs for land acquisition, construction, infrastructure development,

and interior design. In addition, the process of securing the necessary permits, overseeing construction, and ensuring the premises are tailored to our company's needs would take a considerable amount of time, delaying our operational goals.

ADDITIONAL GOVERNMENTAL APPROVALS TO UNDERTAKE THE ABOVE-MENTIONED CAPITAL EXPENDITURE

The Company is required to obtain GST registration under the Goods and Services Tax Act, 2017, and registration under the Shops and Establishment Act. Apart from these No additional government approvals are required to undertake the aforementioned capital expenditure, no additional government approvals are required to undertake the aforementioned capital expenditure.

2. CAPITAL EXPENDITURE TOWARDS UPGRADING THE EXISTING IT HARDWARE AND SOFTWARE

Rationale for purchasing desired no of laptops

Out of the total **200**, 75 laptops will be provided to new hires specifically recruited for product development initiatives. Additionally, most of the Company's existing laptops are outdated, and given the rapidly evolving nature of technology, these will be replaced with new laptops to ensure operational efficiency.

Furthermore, the Company plans to recruit approximately 141 additional employees over the next two years to support its organic growth, funded through working capital. This proposed hiring has been appropriately disclosed in the Draft Red Herring Prospectus (DRHP) on page 87.

- Note: 1. Additionally, the hardware devices planned to be purchased from the IPO proceeds will be new and firsthand;
 2. The Company has not placed any orders yet. The orders will be placed using the proceeds from the IPO;
 3. No additional governmental approvals are required for the above-mentioned capital expenditure.

Incremental it hardware and software expenses incurred by the company over the last three financial years, along with their percentage of total revenue, are presented in the table below:

(in Lakhs)

Description	FY 21-22	FY 22-23	FY 23-24
IT Hardware and Software	0	13.01	11.06
Revenue	2914.31	3884.32	3656.04
% Expense to Revenue	0.00%	0.33%	0.30%

3. Working Capital Requirements:

(Amount in lakhs)

Particulars	31-Mar-22	31-Mar-23	31-Mar-24	30 Sep 24	31-Mar-25	31-Mar-26	31-Mar-27
	Audited	Audited	Audited	Audited	Projected	Projected	Projected
Current assets							
a) Financial Assets							
(ii) Trade receivables	1,002.82	808.54	1,050.31	1,622.57	1,752.90	2,064.47	3,835.82
(v) Loans and advances	80.27	-	-	-	-	-	-
b) Other Current Assets	210.90	401.15	703.58	493.31	850.91	1,194.27	1,779.91
Total	1,293.99	1,209.69	1,753.89	2,115.87	2,603.81	3,258.74	5,615.73

Current Liabilities							
Financial Liabilities							
(ii) Trade payables	57.96	173.25	111.34	113.14	74.37	83.29	93.29
(b) Other current Liabilities	242.46	85.72	224.77	78.01	209.33	372.89	501.50
(c) Provisions	-	10.00	37.50	48.75	56.25	62.72	69.93
(d) Current Tax Liabilities	266.61	109.26	310.94	407.88	435.21	350.41	848.90
Total	567.03	378.23	684.55	647.78	775.16	869.31	1,513.61
Working Capital requirement	726.96	831.46	1,069.35	1,468.09	1,828.65	2,389.43	4,102.12
Short Term Borrowings	-	-	266.91	160.82	440.00	440.00	440.00
To be met through Internal Accruals	726.96	831.46	802.44	1,307.27	1,388.65	1,560.00	2,299.43
IPO Proceeds	-	-	-	-	-	389.43	1,362.69

Note: The working capital details as at March 31, 2022, March 31, 2023 and March 31, 2024, March 31, 2025, March 31, 2026, March 31, 2027 and source of funding has been certified by our statutory auditor, M/s. A Mishra & Associates, Chartered Accountants pursuant to their certificate dated May 23, 2025.

Justifications

Reason for significant increase in the working capital requirements on a year- on-year basis for the last three financial years and stub period ended September 30, 2024.

Optivalue Tek Consulting Limited's working capital requirement has steadily increased due to the nature of its business and industry practices. As a provider of medium- to long-duration IT consulting, data integration, telecommunications, and cloud solutions, the company invests heavily in manpower and resources upfront, while revenue is often realized later through milestone or completion-based billing. To maintain delivery efficiency, Optivalue also sustains a bench of skilled professionals, adding to ongoing salary expenses.

Additionally, all client payments are subject to a 10% TDS, which can only be adjusted after income tax returns are filed—typically six months after the financial year ends—delaying access to full revenue and adding to the working capital burden.

Increase in Working capital from FY 22 to FY 23

The company's working capital rose from ₹726.96 lakhs in FY22 to ₹831.46 lakhs in FY23, marking an increase of ₹104.50 lakhs. This was largely driven by the company's strong revenue performance during the year, reaching ₹3,884.32 lakhs. As project volumes grew, so did the need for additional resources and manpower, naturally increasing the working capital requirement.

Another factor was the rise in other current assets, especially TDS receivables, which increased to ₹401.15 lakhs in FY23. This alone contributed around ₹190.25 lakhs to the working capital. Even with the revenue increase, overall current assets actually came down by ₹84.30 lakhs, mainly due to a drop in trade receivables—indicating better collection efficiency.

On the liabilities side, a decline in profits resulted in lower current tax liabilities, along with a reduction in other current liabilities, both of which added about ₹314.09 to the working capital. Overall, current liabilities decreased by ₹188.80 lakhs, leading to a net increase in working capital of ₹104.50 lakhs.

Increase in Working capital from FY 23 to FY 24

The company's working capital increased from ₹831.46 lakhs in FY23 to ₹1,069.35 lakhs in FY24, reflecting a rise of ₹237.89 lakhs.

While revenue during the year remained largely in line with FY23, the company saw a increase in trade receivables, which

rose by ₹241.77 lakhs. This was primarily due to a jump in receivable days from 76 to 105 days, driven by longer payment cycles, especially under completion-based billing models where revenue is recognized at project milestones.

In addition, other current assets increased by ₹302.43 lakhs, largely on account of pending tax refunds and accumulated TDS credits. As a result, total current assets rose by ₹544.20 lakhs, contributing to higher working capital needs.

On the liabilities side, trade payables declined by ₹61.90 lakhs, primarily due to a reduction in consultancy charges, which contributed to an increase in working capital requirements. However, there is a rise in current tax liabilities and other current liabilities, with total current liabilities increasing by ₹306.32 lakhs. Consequently, the net increase in working capital stood at ₹237.89 lakhs.

Increase in Working capital from FY 24 to Sep'24

In just the first half of FY25, the company's working capital rose from ₹1,069.35 lakhs at the end of FY24 to ₹1,468.09 lakhs as of September 2024, marking an increase of ₹398.74 lakhs.

The primary reason for this sharp increase was the rise in trade receivables, both in terms of amount and collection cycle. Receivable days increased from 105 to 131 days, indicating a further stretch in the cash conversion cycle, largely due to the nature of ongoing long-duration projects and milestone-based billing.

During this period, total current assets increased by ₹361.98 lakhs, primarily due to a rise in trade receivables. Additionally, current tax liabilities and other current liabilities together declined by ₹49.81 lakhs, further contributing to the increase in net working capital. Overall, current liabilities decreased by ₹36.76 lakhs compared to FY24, resulting in a net increase in working capital of ₹398.74 lakhs.

Overall, the increase in working capital during H1 FY25 was mainly driven by a higher receivable position and longer collection timelines, consistent with the company's project and billing structure.

Over the financial years FY22, FY23, FY24, and the half year ended September 2024, Optivalue Tek Consulting Limited has consistently reinvested its profits back into the business to support expanding working capital needs.

Business Model & Revenue Generation Strategy

We do not maintain an order book, as it does not pertain in our **business segment**.

As an IT service provider, the company operates on a **Project Based and Time and Material (T&M) model**, where resource deployment is based on ongoing requirements received from our existing clients. This structure allows the company to maintain consistent revenue flow and growth.

The company regularly receives requests from clients for resource deployment. However, due to **limited human resources and working capital**, the company has not been able to fulfill every requirement. To address this, the company has analyzed and identified that an increase in workforce strength will significantly enhance its ability to cater to more client demands, thereby driving revenue growth.

Strategic Hiring Plan & Workforce Expansion

To achieve the estimated revenue targets, the company will **expand its workforce** by hiring additional IT professionals, including:

- **Software Developers** – To enhance application development capabilities.
- **Technical & Solution Architects** – To design scalable IT solutions for clients.
- **IT Engineers & Specialists** – To improve expertise in cloud integration, cybersecurity, and infrastructure management.
- **Project Managers** – To optimize execution and delivery across various engagements.

This hiring expansion in FY26 and FY27 will enable the company to **deploy more resources**, ensuring higher utilization rates and an increased ability to fulfill a greater number of client requests.

The company aims to optimize its workforce by focusing on securing higher-margin orders and attracting more skilled professionals. This strategic shift is intended to drive increased revenue and operational efficiency. Key contributing factors include:

- **Annual pricing revisions** driven by standard rate escalations aligned with inflation and market trends, along with improvements in operational efficiency.
- **Enhancing Client Engagement** – Strengthening relationships with existing clients and on-boarding new partners.
- **Workforce Optimization** – Better allocation of resources to high-margin and high-demand projects.
- **Investment in Training and Upskilling** – Preparing the workforce to support next-gen technologies and services.

Conclusion

The company's **scalable hiring strategy, strengthened client partnerships, and optimized resource deployment** position it well to achieve its targeted revenue figures for FY26 and FY27. With demand-driven resource allocation and structured operational growth, the company remains confident in capturing a larger market share and ensuring sustainable business expansion.

4. WORKING CAPITAL

Summary Table: Working Capital Increase

Year	Working Capital Requirement (₹ Lakh)	Incremental Working Capital	Key Drivers
FY 25	1,828.65		
FY 26	2,389.43	560.78	New hiring, branch office setup, receivables and Other Current Assets (TDS)
FY 27	4,102.12	1,712.69	Full deployment of hires, product investment, receivables and Other Currents Assets (TDS)

Key Growth Drivers:

- **Demand Visibility for new employees:** The Company has a untapped demand from existing clients.
- **Annual Pricing Revisions:** Rate escalations aligned with inflation and market norms.
- **Operational Efficiency:** Better resource allocation and focus on high-value, high-margin projects.
- **Workforce Development:** Hiring skilled professionals and investing in training to support advanced services.
- **Client Expansion:** Stronger engagement with existing clients and on boarding of new ones.

Reason for Increase In working Capital Requirement

The projected increase in working capital requirements for FY26 (₹2,389.4 lakhs) and FY27 (₹4,102.1 lakhs) is driven by the growth in business volume, operational expansion, long receivable cycles, and talent acquisition. These factors necessitate a proportional increase in working capital to sustain the accelerated scale of operations.

- The company operates with an average receivable cycle of approximately 125 days due to milestone- and completion-based billing.
- Operational costs such as salaries, infrastructure, and overheads are incurred monthly—well before revenue is realized—creating a financing gap that must be bridged through working capital.
- All receivables are subject to a 10% TDS deduction, further increasing the working capital requirement.
- A bench period of 3–4 months before new hires become billable results in upfront cost pressure, as payroll expenses are incurred without immediate revenue contribution.
- A security deposit equivalent to six months per employee seat also contributes to the increased working capital needs.

Monitoring Utilization of Funds

As the Issue size is less than 5,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

But our Company is voluntary appointing monitoring agency. Our Company has appointed [●] as the Monitoring Agency to monitor the utilisation of the Net Proceeds, in accordance with Regulation 262 of the SEBI ICDR Regulations. For details in relation to the proposed utilisation of the Net Proceeds, see “Objects of the Offer” on page 77. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay and in accordance with the applicable laws. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such financial year/periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable financial year, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilized Net Proceeds.

SECTION V- ABOUT THE COMPANY

OUR BUSINESS

Key difference between Our Core Products and Services Offering:

Service	Purpose	Primary Users
Enterprise Application Integration (EAI)	Connects various backend business systems (like ERP, CRM, or older software) so they can share data and work together automatically.	Large companies that use different systems for different departments.
API Management	Helps manage and protect APIs (digital connections) so different apps or partners can safely exchange data and services.	Product teams, software developers, and external partners using or building with APIs.
Core Banking Applications	Provides essential software systems that run a bank's day-to-day operations like managing accounts, transactions, and customers.	Banks and financial institutions.
Cloud Solutions	Offers computing resources like servers, storage, and apps via the internet, so businesses don't have to maintain them on-site.	Companies of all sizes moving towards digital and cloud-based operations.
DevOps / Site Reliability Engineering (SRE)	Brings together software development and IT operations to build, run, and maintain systems that are fast, reliable, and scalable.	Developers and IT support/operations teams.
Data Engineering & Data Science	Builds data pipelines and analytical models to transform raw data into actionable insights	Data analysts, BI teams, data scientists, business leaders

Case Studies For Core Services Provided by the Company

Service	Client	Situation	Task	Action	Result
Enterprise Application Integration (EAI)	A telecom giant	The company relied on outdated systems that were difficult to connect with each other. This caused frequent delays, system downtimes, and poor performance.	Redesign the system architecture to allow smooth integration between different platforms, without disrupting customer services.	Rebuilt the system into a more flexible, modular structure using Oracle BRM and an upgraded CRM. Also added tools for real-time monitoring and better user access control.	Improved overall system performance and uptime. Enabled faster, more reliable service across 40+ customer touchpoints, while reducing manual workload.
API Management	A telecom solution provider	Managing APIs became too complex due to multiple environments and external partners, leading to performance and security concerns.	Build a centralized, secure, and scalable system to manage all APIs in one place.	Developed a high-performance API gateway with features like traffic control, caching, monitoring, and broad compatibility. It was also designed to support open-source use	Enhanced security, faster API response times, reduced infrastructure costs, and achieved better performance than typical off-the-shelf products.

Service	Client	Situation	Task	Action	Result
Core Banking Applications	A banking giant	The bank needed to shift to digital operations but required secure, reliable services to replicate traditional banking functions.	Create digital banking modules that are compliant with regulations and highly available.	Built a set of independent microservices secured by tokens, using service mesh for smooth communication across services (e.g., payments, ledgers, customer onboarding).	Reduced system risks, ensured 24/7 availability, improved performance, and supported the bank's transition into modern fintech services.
Cloud Solutions	A telecom giant	The company's in-house infrastructure was expensive and lacked flexibility, limiting its ability to adapt quickly	Move IT infrastructure to the cloud and modernize systems to reduce costs and increase agility.	Migrated operations to cloud platforms like AWS and OpenShift, introduced automated software delivery (CI/CD), and added monitoring and compliance automation.	Lowered infrastructure and maintenance costs, improved service delivery speed, and created a scalable, future-ready technology base
DevOps / SRE	A telecom giant	Older systems made it hard to release updates quickly and caused system reliability issues.	Implement DevOps and SRE practices to streamline deployments and improve stability.	Introduced CI/CD pipelines, used Kubernetes for managing services in containers, and added monitoring tools like Prometheus, ELK, and Dynatrace for better visibility.	Cut deployment time in half, achieved over 99.9% uptime, and significantly boosted operational efficiency.
Data Engineering & Data Science	A telecom giant	Customer support teams were slow to fix technical issues, leading to dissatisfaction.	Use AI and automation to help support teams resolve incidents faster.	Integrated systems like Dynatrace and ServiceNow with Azure OpenAI to automatically detect and resolve issues, and learn from past incidents.	Reduced problem resolution time by 25%, improved customer satisfaction by 12%, and built a support system that keeps getting smarter over time.

SYSTEM INTEGRATORS (SIs),

Our business model is centered around selling our services to **System Integrators (SIs)**, who then incorporate our offerings into broader solutions for their end-clients. This channel strategy allows us to extend our market reach and access diverse customer segments **without needing to build extensive direct sales or implementation teams** for every individual end-customer.

Key Characteristics of System Integrators as Customers:

- **Solution-Oriented:** SIs look for comprehensive, scalable solutions rather than isolated products.
- **Customization Requirements:** They often need tailored integrations to meet specific client demands.
- **Long-Term Focus:** SIs value ongoing support, regular updates, and strong vendor collaboration.

- **Technically Skilled:** With deep IT expertise, they are selective and knowledgeable buyers.
- **Project-Driven Purchasing:** Their buying decisions are typically tied to specific client projects, not routine procurement cycles.

System Integrators play a vital role across industries like IT, manufacturing, healthcare, and finance—ensuring that complex systems operate smoothly and cohesively.

NO. OF NEW CLIENTS ADDED BY COMPANY IN LAST THREE FINANCIAL YEAR

In FY 2022, the company worked with 26 clients. In FY 2023, it continued working with 18 of those clients and added 13 new clients, resulting in a total of 31 clients for the year. In FY 2024, the company engaged with 25 existing clients from FY 2022 and FY 2023 and added 1 new client, making a total of 26 clients for the year.

Overall, the company has added 14 new clients over the past two financial years.

Recognized Operating Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Manpower Services Revenue from manpower services is accounted at a point in time on accrual basis on performance of the services agreed in the contract with the customers. In case of any disagreement with the client, the revenue is derecognized based on mutual understanding with the clients in the year of settlement.

HUMAN RESOURCE

Human resource is the key element for developing a company's growth strategy and handling the day-to-day activities within the organization. We focus on attracting and retaining the best possible talent. Our team is a blend of experienced, professional and a strategically organized group of personnel. Our Company does not have any Employee Unions. Our skilled resource together with our strong management team has enabled us to successfully implement our growth plans.

As on September 30, 2024, we have around 71 employees on our payroll, to look after the day-to-day business operations, administrative, secretarial, legal and accounting functions in accordance with their respective designated duties. The following table represent the number of employees in the respective department of the company

Department	No. of Employees
Finance & Accounts	02
Compliance	01
Administration	02
Operations	63
Peon / Driver	03
Total	71

Additionally, we have around 82 employees as on September 30, 2024 working with us on a contractual basis.

We have 71 employees on our payroll, of which 66 are registered for contributions to the Employee Provident Fund. The total cumulative amount provided for the provident fund as of 30th September 2024 is Rs. 1,26,100.

There are no employees registered for contribution under the Employee State Insurance.

SOFTWARE/EQUIPMENT USED BY OUR COMPANY

- **High Quality Laptop having specifications** - 13th Gen Intel Core i7 Processor, Windows 11 Professional, 16 GB or more Memory, 500 GB or more SSD Storage, Microsoft O365 Business Premium.
- **Enterprise Firewall** - Sophos XGS Enterprise Firewall

- **Switch** - HPE Aruba Networking 6000 Switch or Similar
- **High Quality Rack Server having specifications - 3rd Generation Intel Xeon Scalable Processors, 8TB DDR4, 3200 MT/s, 10x 2.5" drives**
- **AWS Cloud Subscription** – VPC, DNS Services, Code Pipeline, EC2 Instances, Load Balancer, EKS Cluster, Lambda Functions, ELK Stack
- **Google Apps Email Subscription**

Note: Additionally that Company has not taken any separate insurance coverage for its equipment or software. However, the equipment is covered under the standard warranty provided by the respective equipment manufacturers or suppliers.

LAND & PROPERTIES

Following Properties are taken on lease / license by our company:

Date of the Agreement	Name of Owner	Address and Area of the Property	Period	Purpose
18 th September, 2024	Lessor : Rohit Bhardwaj	Khasra No. 2/2 and 2/1, Chhattarpur Main Road, Near Sai Baba Mandir, Sawan Public School, South West Delhi, Delhi, India, 110074 Area: 450 Sq ft	11 Months	Registered Office

Additionally, the registered office premises are leased from Mr. Rohit Bhardwaj. It has been further confirmed that Mr. Bhardwaj, in his capacity as the lessor, has no direct or indirect relationship with the Company, its directors, promoters, etc.

REVENUE BREAK UP-INDUSTRY WISE

(In rs. Lacs)

Tenure	Telecom	Higtech	IT	Total
Sept 30, 2024	835.04	9.56	1,418.52	2,263.12
FY 2023-24	1,635.18	57.40	1,963.46	3,656.04
FY 2022-23	1,758.68	137.11	1,988.93	3,884.72
FY 2021-22	1,142.06	-	1,772.25	2,914.31

REVENUE BREAK UP-BUSINESS MODEL WISE

(In rs. Lacs)

Tenure	Project	Time & material	Total
Sept 30, 2024	551.30	1711.81	2263.11
FY 2023-24	958.98	2697.06	3656.04
FY 2022-23	899.70	2985.01	3884.71
FY 2021-22	777.24	2137.06	2914.30

REVENUE BREAK UP-SYSTEM INTEGRATORS AND INDUSTRY WISE

Tenure	Industry	System Integrators*	Total
Sept 30, 2024	551.29	1711.82	2263.11
FY 2023-24	958.97	2697.07	3656.04
FY 2022-23	899.70	2985.01	3884.71

FY 2021-22	777.24	2137.06	2914.30
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Clients under the System Integrators category are billed exclusively on a **Time & Material basis*

REVENUE BREAK UP-STATE WISE

State	For the period ended							
	FY 21-22		FY 22-23		FY 23-24		30 Sep-2024	
	Amount	%*	Amount	%*	Amount	%*	Amount	%*
Export	667.94	22.92	430.27	11.08	184.36	5.04	76.03	3.36
Gujarat	450.98	15.47	556.67	14.33	642.95	17.59	208.48	9.21
Haryana	51.25	1.76	10.19	0.26	-	-	-	0.00
Karnataka	510.85	17.53	992.36	25.55	917.16	25.09	896.11	39.60
Maharashtra	28.70	0.98	78.11	2.01	49.57	1.36	74.36	3.29
Tamil nadu	1089.80	37.39	1415.88	36.45	1650.52	45.15	828.76	36.62
Telangana	81.88	2.81	110.21	2.84	41.83	1.14	10.40	0.46
UP	32.91	1.14	290.63	7.48	138.28	3.78	157.57	6.96
West Bengal	-	-	-	-	31.37	0.85	11.40	0.50
Grand Total	2914.31	100	3884.32	100	3656.04	100	2263.12	100

MAJOR PROJECTS HANDLED DURING THE LAST THREE FINANCIAL YEARS

Project Portfolio Overview

Project 1

Client Name - Through Customer 1

The client collaborated with OptiValue Tek to transition from a monolithic architecture to a modular, scalable system. This initiative addressed long-standing systemic challenges and significantly improved performance, security, and operational efficiency through strategic technology integrations and platform optimizations.

Project Duration: 2 years and 11 months

Project 2

Client Name - Through Customer 1

OptiValue Tek supported the client in a transformative shift from conventional IT infrastructure to a modern, cloud-based environment. The project also involved the integration of DevOps practices into the client's core operations to enhance agility and delivery speed.

Project Duration: 1 year and 5 months

Project 3

Client Name - Through Customer 1

This project focused on implementing a Common Service Gateway and API Gateway for a CRM system, enabling a Digital BSS (DBSS) transformation for the client's prepaid customer journey. Test automation was carried out using a Behavior-Driven Development (BDD) approach to ensure quality and efficiency.

Project Duration: 2 years

Project 4

Client Name - Through Customer 2

OptiValue Tek led the design and implementation of a state-of-the-art API Gateway and Developer Portal for a major enterprise. The project involved building the entire solution from the ground up, covering architecture, design, and deployment.

Project Duration: 10 months

Project 5

Client Name - Through Customer 2

The objective was to design and implement an Order Monitoring Portal to empower operations teams with the ability to trace, monitor, and retry application-level orders efficiently.

Project Duration: 6 months

AVERAGE TENURE OF PROJECTS

In general, **Time and Material (T&M)** services provided to **System Integrators** do not have a fixed tenure and are based on ongoing requirements. For project-based services delivered directly to customers, the project duration typically ranges from 6 months to 2 years, with the average project tenure being approximately 9 to 10 months.

SOFTWARE/EQUIPMENT USED BY OUR COMPANY

High Quality Laptop having specifications** - 13th Gen Intel Core i7 Processor, Windows 11 Professional, 16 GB or more Memory, 500 GB or more SSD Storage, Microsoft O365 Business Premium.

****The Company currently utilizes a total of 98 laptops to support its business operations.**

OUR BUSINESS STRATEGIES

2. Expansion into Drone Analytics to Enhance Technological Capabilities and Market Relevance

The company intends to start operations in drone analytics as part of its business strategy to continue to stay relevant in its business operations. The integration of advanced technologies with drones, locomotives, and surveillance systems, alongside existing assets, offers the potential for centralized management and efficient monitoring across large and complex environments, such as the Railways and Defence sectors. This integration enables real-time data collection, predictive analytics, and streamlined decision-making—crucial elements for managing operations at scale.

The market for drone analytics integrated with large-scale operations is still in its early stages, with few companies providing solutions that combine drones with advanced data analytics and AI for real-time monitoring and predictive management. We can create our position in the drone analytics space by offering solutions that not only address an existing gap but are also working for future advancements

QUALITY CONTROL

Our Company has been awarded a valid Certificate of Compliance for CMMI (Capability Maturity Model Integration) Maturity Level 5, with specialization in IT Consulting & Services and Software Development, issued by Paramount Quality Certification. Our employees hold various technical certifications in their respective areas. Frequent Technical & Soft Skill trainings are organized for employees on various technical subjects.

With respect to service engagements involving system integrators, the responsibility for quality assurance lies with the respective system integrators. In such cases, the Company does not have direct involvement in the quality control processes, as these are managed and overseen entirely by the system integrators.

However, for project development assignments executed directly for clients, the Company has established internal quality control mechanisms. Dedicated quality managers are appointed to oversee the execution and ensure adherence to defined quality standards. Additionally, the client retains oversight throughout the project lifecycle, and final delivery is made only upon the client's formal approval of the quality and deliverables

KEY INDUSTRY REGULATIONS AND POLICIES

SHOPS AND ESTABLISHMENTS LEGISLATIONS IN VARIOUS STATES

The provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up require such establishments to be registered. The state shops and establishments legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments' legislations, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fines or imprisonment for the violation of their provisions, as well as procedures for appeals in relation to such contraventions.

HISTORY AND CERTAIN CORPORATE MATTERS

ASSOCIATES COMPANY

Our Company does not have any Associate Company as on the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

- 1. Mr. Girish Kamal Gupta**, aged 48 years, is a Non-Executive Independent Director of the Company. He is a fellow member of Institute of Chartered Accountants of India since April 2005 and took the Certificate of Practice (COP) in April 2005. He has having around 20+ years of experience as a Practicing Chartered Accountant, he is currently a managing partner at JJSG & Co., a firm of Chartered Accountants, having been associated with the firm since October 2020. His work includes Project Financing and Syndication, Bank Audits, Stock Audits, Statutory Audits, Tax Audits, ROC related and other compliance related matters. In his role as an Independent Director, his key responsibilities include providing objective oversight on the company's financial and operational activities, and offering strategic advice on project financing, capital investments, and financial planning.
- 2. Mr. Sumit Kumar**, aged 31 years, is a Non- Executive Independent Director of the company. He is an Associate member of Institute of Chartered Accountants of India since April 2019. He was working with NYS & Company from 2019 to 2023 as Manager in Audit & Taxation and later joined the firm as Partner. He has an experience of 5 years in the field of book-keeping, auditing, income tax, company law matters, financing, and other management's services related to the profession. In his role, he provides strategic guidance on tax planning, financing, investment planning, business expansion strategies, and the tax implications of new projects and corporate restructuring. His insights support the company's sustainable growth and ensure regulatory compliance.
- 3. Mr. Ankit Aggarwal**, aged 37, is a Non- Executive Independent Director of the company. He is a fellow member of Institute of Chartered Accountants of India. He is a practicing chartered accountants since September 2012 and having experience of 12+ years in the field of Audit & Taxation. His work includes Statutory Audits, Internal Audits, compliance reviews for businesses across various industries and tax-related services, including tax planning, compliances and advisory support. In his role, he advices on strengthening the company's governance framework. He provides strategic guidance on the adequacy and effectiveness of the company's internal control systems and risk management practices. Additionally, he supports the continuous enhancement of audit procedures and contributes to the development of robust governance standards, ensuring transparency, accountability, and sustainable business practices.

SECTION IX- FINANCIAL STATEMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE STUB PERIOD ENDED SEPTEMBER 30, 2024

Revenue from operations

Revenue from operation for the stub period ended September 30, 2024 stood at ₹ 2,263.12 Lakhs. As percentage of total income, Revenue from operation was 98.72% during the stub period ended September 30, 2024.

The company recorded operating revenue of ₹22.63 Cr for the half year ended 30th September 2024, compared to ₹36.56 Cr for the full year FY 2023–24. The net profit margin for the half year stood at 28.13%, showing a significant improvement from the 15.02% margin reported for the previous financial year.

This increase in profit margin is primarily attributed to the booking of approximately ₹4 Cr in revenue during the first half of FY25. This revenue pertains to services delivered in FY23–24, but its recognition was delayed due to late approval of timesheets from one of our clients. Importantly, the associated costs for this project were already accounted for in FY23–24, which resulted in higher profitability in the current period. The same client had previously caused a similar shift in revenue due to delayed timesheet approvals in FY22–23 as well.

It is also to be noted that in the year 22-23, number of employees hired by the company had an exceptional increase resulting into higher cost and lowering profit. Except in financial year 22-23, the cost of the employees in terms of percentage to revenue is almost stagnant as variation over year to year is marginal in terms of revenue percentage. A comparative analysis of employee cost to revenue is as under for better clarity:

FINANCIAL YEAR 2023-24 COMPARED WITH THE FINANCIAL YEAR 2022-23 (BASED ON RESTATED FINANCIAL STATEMENTS)

Revenue from operations

Our revenue from operations decreased by ₹ 228.28 lakhs i.e. 5.80% to ₹ 3,656.04 lakhs for the financial year 2023-24 from ₹ 3,884.32 for the financial year 2022-23. Revenue from operation decreased primarily because of decreased in Professional consultancy as compared to previous financial year. Revenue breakup of the same is as follows: The revenue breakup is as follows:

<i>Amount in ₹ lakhs</i>		
Revenue	FY 2023-24	FY 2022-23
Professional Consultancy	3,656.04	3,884.32
TOTAL	3,656.04	3,884.32

Variation in Profit and Loss Account

The operating revenue of the company increased from ₹29.14 crores in FY 2021–22 to ₹38.84 crores in FY 2022–23, reflecting a strong growth of 33.29% over the previous year. However, during the same period, the net profit declined from ₹5.26 crores to ₹2.77 crores, representing a 47% decrease.

This drop in profitability was primarily due to the company's strategic decision to initiate its business expansion and implement a structured growth plan in FY 2022–23. As part of this strategy, the company significantly ramped up its hiring, increasing its employee count from 28 in FY 2021–22 to 56 in FY 2022–23. Consequently, employee benefit expenses rose from ₹2.30 crores in FY 2021–22 to ₹7.38 crores in FY 2022–23. In percentage terms, this employee cost grew from 9% of operating revenue in FY 2021–22 to 19% in FY 2022–23.

Net Profit after Tax

Net Profit after Tax has increased by ₹ 271.84 lakhs i.e. 98.02% to ₹ 549.16 lakhs in the financial year ended March 31, 2024 from ₹ 277.32 lakhs in the financial year ended March 31, 2023. The increase was due to a comparative decrease in total expenses relative to total revenue. This is because there was unbilled revenue in FY 2022-23, on which we booked expenses in that period. However, the revenue was billed in FY 2023-24, leading to a comparative decrease in consultancy expenses in FY 2023-24.

The operating revenue of the company for FY 2022–23 was ₹38.84 crores, while for FY 2023–24 it stood at ₹36.56 crores, reflecting a marginal decrease of approximately 6%. However, the net profit for the same period increased significantly—from ₹2.77 crores in FY 2022–23 to ₹5.50 crores in FY 2023–24—marking a 98% growth.

This sharp increase in profitability is primarily attributed to the recognition of revenue in FY 2023–24 for services that were actually delivered in FY 2022–23. The delay in revenue recognition was due to the late approval of timesheets by one of the clients. While the costs associated with these services were accounted for in FY 2022–23, the corresponding revenue of approximately ₹4 crores was booked in FY 2023–24, thereby positively impacting the profit margin for that year.

SECTION X- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

1. LITIGATION INVOLVING OUR COMPANY

For GST Matters:

GST Notice issued against OPTIVALUE TEK CONSULTING LIMITED having GST number 07AABCO4909Q1ZY for State - Delhi, Zone - Zone 3, Ward - Ward 54 (Jurisdictional Office).

1. Notice issued to return defaulter u/s 46 for not filing return for Tax Period: June, 2020-21, Tax Period: July, 2020-21 Tax Period: August, 2020-21 Tax Period: December, 2020-21 Tax Period: January, 2020-21 Tax Period: April, 2021-22 Tax Period: December, 2021-22 Tax Period: May, 2022-23 Tax Period: September, 2022-23 Tax Period: October, 2022-23 Tax Period: April, 2022-23 Tax Period: August, 2021-22 Tax Period: February, 2020-21 Tax Period: May, 2020-21 Tax Period: April, 2020-21 Tax Period: March, 2019-20 which however have been filed later.

Current status: There have been instances when returns filed with delay, summary of which is given below:

Particular	Month	Year	Due Date	Return Filed Date	Number of Days Delayed
GSTR 1	April	2021	11-05-2021	12-07-2021	61
GSTR 1	June	2021	11-07-2021	15-07-2021	4
GSTR 1	July	2021	11-08-2021	20-08-2021	9
GSTR 1	August	2021	11-09-2021	30-09-2021	21
GSTR 1	September	2021	11-10-2021	15-10-2021	4
GSTR 1	October	2021	11-11-2021	12-11-2021	1
GSTR 1	November	2021	11-12-2021	14-12-2021	3
GSTR 1	December	2021	11-01-2022	14-01-2022	3
GSTR 1	March	2022	11-04-2022	12-04-2022	1
GSTR 1	April	2022	11-05-2022	25-05-2022	14
GSTR 1	May	2022	11-06-2022	27-06-2022	16
GSTR 1	June	2022	11-07-2022	12-07-2022	1
GSTR 1	July	2022	11-08-2022	14-08-2022	3

Particular	Month	Year	Due Date	Return Filed Date	Number of Days Delayed
GSTR 3B	May	2021	20-06-2021	12-07-2021	22
GSTR 3B	August	2021	20-09-2021	21-09-2021	1
GSTR 3B	September	2021	20-10-2021	21-10-2021	1
GSTR 3B	October	2021	20-11-2021	22-11-2021	2
GSTR 3B	November	2021	20-12-2021	21-12-2021	1
GSTR 3B	December	2021	20-01-2022	21-01-2022	1
GSTR 3B	January	2022	20-02-2022	23-02-2022	3
GSTR 3B	April	2022	20-05-2022	26-05-2022	6
GSTR 3B	May	2022	20-06-2022	27-06-2022	7
GSTR 3B	September	2022	20-10-2022	25-10-2022	5
GSTR 3B	September	2022	20-10-2022	08-11-2022	19
GSTR 3B	October	2022	20-11-2022	23-11-2022	3
GSTR 3B	December	2022	20-01-2023	23-01-2023	3

GOVERNMENT AND OTHER APPROVALS

“Licenses/ Approvals which are applied by Company and are pending for approval:

As on the date of this Draft Red Herring Prospectus (DRHP), the Company has obtained all material regulatory approvals and licenses required for its operations. There are no applications pending with any statutory or regulatory authority for approval, except for the name change applications submitted to the Employees' Provident Fund (EPF) departments.

SECTION-XI-OTHER REGULATORY AND STATUTORY DISCLOSURES

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the EMERGE Platform of NSE (NSE EMERGE): -

6. The company is having positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.

Particulars	2023-24	2022-23	2021-22
A. Cash Flow from Operating Activities	660.95	259.65	(395.73)
B. Capital Expenditure	(11.06)	(13.63)	(112.32)
C. Net Borrowings	(525.86)	(34.58)	658.52
D. Interest Expense * (1 - Tax Rate)	(29.59)	(24.86)	(12.77)
FCFE (A + B + C + D)	94.43	186.59	137.69

SECTION XII
ISSUE INFORMATION
TERMS OF THE ISSUE

Minimum Number of Allottees

The minimum number of allottees in the Issue shall be 200 shareholders. In case, the number of prospective allottees is less than 200, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

SECTION XIV – DECLARATION

We, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company				
S.NO.	Name	Category	Designation	Signature
1	Mr. Ashish Kumar	Executive	Managing Director	Sd/-
2	Ms. Ragini Jha	Executive	Whole-Time Director	Sd/-
3	Mr. Girish Kamal Gupta	Non-Executive	Independent Director	Sd/-
4	Mr. Sumit Kumar	Non- Executive	Independent Director	Sd/-
5	Mr. Ankit Aggarwal	Non- Executive	Independent Director	Sd/-
Signed by the Chief Financial Officer and Company Secretary of our Company				
6	Mr. Sudhir Kumar Sahani	Full-time	Chief Financial Officer	Sd/-
7	Ms. Shraboni Chatterjee	Full-time	Company Secretary	Sd/-

Place: Delhi

Date: July 08, 2025