

DIGILOGIC SYSTEMS PRIVATE LIMITED

CIN: U72200TG2011PTC077933

Registered office: #102, 1ST Floor, DSL Abacus Tech Park
Uppal Kalsa Village, Uppal Mandal, Rangareddi,
Telangana, India, 500039.

Email: info@digilogicssystems.com Ph: 040 4547 4601

Date: April 16, 2025

To
Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A,
G Block Bandra Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India.

Dear Madam/Sir,

Ref: Proposed initial public offering of equity shares of face value of ₹ 10/- each (the "Equity Shares") of Digilogic Systems Private Limited (the "Company") (the "Offer").

Sub: Application seeking exemption from the strict enforcement of provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), under Regulation 300(1)(c) of the SEBI ICDR Regulations, from disclosing Mr. J Lokaprakash Varma (Brother-in-law of Mr. Madhusudhan Varma Jetty and brother of Mrs. Radhika Varma Jetty, both of whom are among the Promoters of our Company) as part of the promoter group (as defined in Regulation 2(1)(pp) of the SEBI ICDR Regulations) in the Offer related documents, including the draft red herring prospectus ("DRHP"), the Red Herring Prospectus ("RHP") and the prospectus.

1. Background

1.1. Company Background:

1.1.1. Our Company was originally established as a partnership firm under the Indian Partnership Act, 1932, under the name and style of *M/s. Digilogic Systems*, pursuant to a deed of partnership dated May 8, 2007. Subsequently, *Digilogic Systems* was converted from a partnership firm into a private limited company under Part IX of the Companies Act, 1956 and was renamed *Digilogic Systems Private Limited*. The Company received its certificate of incorporation on December 9, 2011, from the Registrar of Companies, Andhra Pradesh ("RoC"). The registered office of our Company is situated at 102, 1st Floor, DSL Abacus Tech Park, Uppal Kalsa Village, Uppal Mandal, Rangareddy – 500039, Telangana, India.



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1.1.2. Our Company is engaged in the business of designing, developing, fabricating, and supplying advanced technological solutions for the defence and aerospace industry. These include Automatic Test Equipment (ATE), data acquisition systems, radio and intermediate frequency record and replay systems, radar testing and electronic warfare test systems for avionics, as well as simulation and real-time software systems. The Company also provides instrumentation, test beds, ground check-out systems, bench simulators, ruggedized and industrial-grade computing solutions, and products based on MIL-STD-1553B and ARINC-429 standards.

1.1.3. Subject to receipt of the necessary consents, approvals, and fulfilment of other relevant considerations, our Company is in process of preparing the DRHP for filing with the BSE Limited or National Stock Exchange of India Limited (the "**Stock Exchange**") in connection with the proposed initial public offering of its Equity Shares in accordance with the provisions of the Companies Act, 2013, Chapter IX of the SEBI ICDR Regulations, as amended and other applicable laws.

1.1.4. Our Company has appointed Indorient Financial Services Limited as the Book Running Lead Manager to the Offer.

1.2. Identification of Promoter Group

1.2.1 Presently, our Company has four Promoters (1) Mr. Madhusudhan Varma Jetty, (2) Mrs. Radhika Varma Jetty, (3) Mr. Shashank Varma Jetty and (4) Mr. Hitesh Varma Jetty (collectively, the "**Promoters**") have been identified as the Promoters of our Company. As on the date of this application, the Promoters collectively hold Equity Shares, representing 89.15% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company, and the shareholding of each such Promoter as on the date of this application is as follows:

| Name of the Promoter | Number of Equity Shares held | % of total shareholding |
|-----------------------------|------------------------------|-------------------------|
| Mr. Madhusudhan Varma Jetty | 27,03,000 | 60.73 |
| Mrs. Radhika Varma Jetty | 6,80,000 | 15.28 |
| Mr. Shashank Varma Jetty | 3,00,000 | 6.74 |
| Mr. Hitesh Varma Jetty | 2,85,000 | 6.40 |
| Total | 39,68,000 | 89.15 |



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1.2.2 The shareholding pattern of our Company, as on the date of this application, is enclosed in **Annexure A**.

1.2.3 Our Promoters and the individuals and entities forming part of the promoter group, as defined under Regulation 2(1)(pp) of the SEBI ICDR Regulations, in respect of whom the relevant information, confirmations and undertakings as required in terms of the applicable provisions of the SEBI ICDR Regulations will be included in the DRHP, RHP and the Prospectus (collectively, the "**Offer Documents**"), are as enclosed in **Annexure B**. Additionally, in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, if the promoter is an individual, the following persons/ entities shall also be identified as members of the 'promoter group' of our Company:

a) *any body corporate in which 20% or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family ("HUF") in which the promoter or any one or more of their relative is a member;*

b) *any body corporate in which a body corporate holds 20% or more of the equity share capital; and*

c) *any HUF or firm in which the aggregate shareholding of the promoter and their relatives is equal to or more than 20% of the total capital.*

*(the entities under (a), (b) and (c), collectively referred to as "**Connected Entities**").*

2. Grounds for seeking exemption from the requirement of including an individual and the entities held by the said individuals as a part of the promoter group:

2.1 Estranged relationship between our Promoters (Mr. Madhusudhan Varma Jetty and Mrs. Radhika Varma Jetty) and Mr. J Lokaprakash Varma

The relationship between our Promoters (Mr. Madhusudhan Varma Jetty and Mrs. Radhika Varma Jetty), and Mr. J Lokaprakash Varma has been estranged due to personal differences since 2020. As a result of this strained and non-cordial family relationship, despite multiple efforts made by Mr. Madhusudhan Varma Jetty to obtain the requisite information and confirmations, including details of any Connected Entities of Mr. J Lokaprakash Varma, if any, no details have been received from him.

2.2 Unresponsiveness of Mr. J Lokaprakash Varma

Notwithstanding the estranged relationship between our Promoters (Mr. Madhusudhan Varma Jetty and Mrs. Radhika Varma Jetty), and Mr. J Lokaprakash Varma, Mr. Madhusudhan Varma Jetty informed Mr. J Lokaprakash Varma via email dated February 19, 2025, about the Company's proposed fund-raising initiative through an Initial Public Offering. He further informed him that he and his Connected Entities, if any, would be identified as part of the



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Promoter Group for the purposes of preparing the Offer Documents, and accordingly requested the necessary information to enable relevant disclosures in the Offer Documents.

2.3 Subsequently, a reminder email was sent on March 25, 2025, and a further reminder letter was dispatched via Registered Post with Acknowledgement Due ("RPAD") on April 03, 2025, seeking a response to the earlier communications. The details of these correspondences are summarized below:

| Sr. No. | Nature of the correspondence | Date and time of letter/email sent | Date and time of delivery of letter/email |
|---------|---|------------------------------------|---|
| 1. | Email from Mr. Madhusudhan Varma Jetty to Mr. J Lokaprakash Varma requesting details as required under Part A of Schedule VI and other applicable provisions of the SEBI ICDR Regulations | February 19, 2025, 17:10 | February 19, 2025, 17:10 |
| 2. | Reply from Mr. J Lokaprakash Varma, in which he has not provided the requested information y. | February 25, 2025, 23:53 | February 25, 2025, 23:53 |
| 3. | Follow on email from Mr. Madhusudhan Varma Jetty to Mr. J Lokaprakash Varma to provide information. | March 25, 2025, 15:34 | March 25, 2025, 15:34 |
| 4. | Reply from Mr. J Lokaprakash Varma, in which he again has not provided the requested information. | April 2, 2025, 20:19 | April 2, 2025, 20:19 |
| 5. | Reminder letter dispatched through RPAD, requesting Mr. J Lokaprakash Varma to provide information. | April 3, 2025 | April 7, 2025 |

2.4 Copies of the above communications have been enclosed as **Annexure C**.

2.5 In summary, despite multiple correspondences sent to Mr. J Lokaprakash Varma as detailed above, no details have been received. Consequently, we submit that the Company is unable to obtain the necessary information, consent, or confirmations from Mr. J Lokaprakash Varma and his Connected Entities, if any, for the purpose of identifying, categorizing, and/or disclosing him as a member of the Promoter Group of the Company by virtue of being an 'immediate relative' of our Promoters, Mr. Madhusudhan Varma Jetty and Mrs. Radhika Varma Jetty.



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2.6 Further, we submit the following in relation to Mr. J Lokaprakash Varma:

- a) he does not, whether directly or indirectly, have any business, financial, or other interest in our Company, nor does he have any role in the management or operations of our Company or in any of the entities forming part of the Promoter Group;
- b) he is neither a member of the Board of Directors of our Company nor of any of the entities forming part of the Promoter Group;
- c) he is not employed by the Company and does not hold or exercise any key managerial position within the Company;
- d) he has not entered into any related party transactions with the Company and does not have any direct or indirect business, financial, or other interests in the Company;
- e) he does not hold any equity shares, debt instruments, or any other class of securities issued by the Company;
- f) he has not engaged in any transactions with the Company, including in the capacity of vendor or supplier, in the last three financial years; The details of related party transactions undertaken by the Company during the past three financial years, i.e., FY 2024, FY 2023, and FY 2022, are enclosed as **Annexure D**. Additionally, we confirm that no related party transactions have been carried out with Mr. J Lokaprakash Varma from April 1, 2024, till the date of filing of this application; and
- g) he does not have any special rights in the Company under any formal or informal arrangement and does not exercise any control or influence, whether direct or indirect, over the affairs of the Company.

2.7 The Company and the Promoters of the Company do not share, directly or indirectly, or hold any financial interest or play any role in the management or operations of Mr. J Lokaprakash Varma and his Connected Entities, if any.

2.8 Accordingly, due to the factors outlined above, including the estranged relationship and lack of co-operation from Mr. J Lokaprakash Varma, our Company is unable to comply with the requirements prescribed under Part A of Schedule VI and other applicable provisions of the SEBI ICDR Regulations in relation to obtaining and disclosing the requisite confirmations and information pertaining to Mr. J Lokaprakash Varma and his Connected Entities, if any, as members of the Promoter Group. These constraints are beyond the control of our Company.



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2.9 Considering the above, our Company submits this application to seek relaxation from the strict enforcement of the requirement to include Mr. J Lokaprakash Varma and his Connected Entities, if any, as members of Promoter Group of our Company and from including disclosures prescribed under the SEBI ICDR Regulations pertaining thereto, in the Offer Documents.

3. Relaxation Sought

3.1 Regulation 300(1)(c) of the SEBI ICDR Regulations empowers SEBI to grant relaxation from the strict enforcement of any requirements under the SEBI ICDR Regulations in cases where such non-compliance is attributable to factors beyond the control of the issuer.

3.2 As indicated in paragraph 2 above, despite multiple good faith efforts, our Company has been unable to obtain the requisite information, confirmations and undertakings from Mr. J Lokaprakash Varma. Accordingly, we respectfully request SEBI to grant us relaxation under Regulation 300(1)(c) of the SEBI ICDR Regulations from the following requirements:

3.2.1 Disclosing Mr. J Lokaprakash Varma and his Connected Entities, if any, as part of the Promoter Group, in accordance with the SEBI ICDR Regulations, in the Offer Documents and any other filings or submissions to be made by our Company in connection with the Offer; and

3.2.2 Disclosing any information in relation to Mr. J Lokaprakash Varma and his Connected Entities, if any, in the Offer Documents, as otherwise required under SEBI ICDR Regulations.

3.3 We request you to kindly treat the contents of this application as confidential.

4. Further Information

4.1 Our Company has made a non-refundable online fee payment of Rs.1,00,000/- (Rupees one lakh only) in terms of Regulation 300(3) of the SEBI ICDR Regulations and GST on the non-refundable online fee at the rate of 18% amounting to Rs.18,000/- (Rupees eighteen thousand only) credited to SEBI's bank account with payment reference id BAXC7YS0IFOH6 and bank reference id 852257736.

The details of GST registration of our Company are also provided below:

- GST Registration number of our Company - 36AAECD0732B1ZB
- GST registered Dealer Name of our Company - DIGILOGIC SYSTEMS PRIVATE LIMITED



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-
- GST Registered Office Address of our Company - 1st Floor, 102, DSL Abacus Tech Park, Uppal Kalsa Village, Uppal, Ranga Reddy, Telangana, 500039.
 - Location from where payment was discharged – Hyderabad, Telangana State.
 - We trust the information included in this letter meets your application requirements and look forward to receiving your approval.

For any further queries, you may please contact:

At Company

DIGILOGIC SYSTEMS PRIVATE LIMITED

Name: Mr. V Sri Harsha

Designation: Chief Financial Officer

Telephone: +91 40 4547 4601

E-mail: cfo@digilogicssystems.com

Thanking you.

Sincerely,

For and on behalf of Digilogic Systems Private Limited



Authorised signatory.

Name: Mr. Madhusudhan Varma Jetty

Designation: Managing Director

DIN : 02247769

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Annexure A

Shareholding Pattern of our Company as on the date of this application:

| Sr. No. | Name of Shareholder | No. of Equity Shares | Percentage (%) of shareholding |
|---------|---|----------------------|--------------------------------|
| 1. | Madhusudhan Varma Jetty | 27,03,000 | 60.73 |
| 2. | Radhika Varma Jetty | 6,80,000 | 15.28 |
| 3. | Shashank Varma Jetty | 3,00,000 | 6.74 |
| 4. | Hitesh Varma Jetty | 2,85,000 | 6.40 |
| 5. | Negen Undiscovered Value Fund | 2,85,103 | 6.41 |
| 6. | Neil Madan Bahal | 48,936 | 1.10 |
| 7. | Darshi Shah | 2,128 | 0.05 |
| 8. | Hitesh Ramesh Rambhia | 4,255 | 0.10 |
| 9. | Sai Krishna Pathri - Kartha of Sai Krishna Pathri HUF | 34,043 | 0.76 |
| 10. | Chandra Sekhar Patri | 4,255 | 0.10 |
| 11. | Shaik Shahin | 4,255 | 0.10 |
| 12. | Negen Capital Services Private Limited | 25,531 | 0.57 |
| 13. | Jagvir Singh Fauzdar | 8,510 | 0.19 |
| 14. | Shailendra Swaroop Bhatnagar | 8,510 | 0.19 |
| 15. | CV Vinod Kumar Reddy | 31,500 | 0.71 |
| 16. | M Srinivasulu Naidu | 6,500 | 0.15 |
| 17. | V Srikanth Reddy | 6,500 | 0.15 |
| 18. | A Srinu Naik | 4,500 | 0.10 |
| 19. | M Sudheer Kumar | 4,500 | 0.10 |
| 20. | Ajith Pandab | 3,500 | 0.08 |
| | Total | 44,50,526 | 100.00 |



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Annexure B

The following natural persons form part of the Promoter Group as immediate relatives of our Promoter, Mr. Madhusudhan Varma Jetty, in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations:

| | |
|----------------------------|--|
| Spouse | Radhika Varma Jetty |
| Father | Late. Chanchuram Varma Jetty |
| Mother | Late Varalakshmi Varma Jetty |
| Brother | 1. Jetty Mallikarjuna Varma 2. Jetty Sudhakar Varma |
| Sister | Late. M Sunandha |
| Son | 1. Shashank Varma Jetty 2. Hitesh Varma Jetty |
| Daughter | -- |
| Spouse's Father | Late. J Vasu Vikram Varma |
| Spouse's Mother | Smt. J Suneetha Varma |
| Spouse's Brother(s) | 1. J Lokaprakash Varma 2. J Vishvesh Kumar Varma |
| Spouse's Sister(s) | Smt. Nagambika Varma Jhetty |

The following natural persons form part of the Promoter Group as immediate relatives of our Promoter, Mrs. Radhika Varma Jetty, in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations:

| | |
|---------------|---------------------------|
| Spouse | Madhusudhan Varma Jetty |
| Father | Late. J Vasu Vikram Varma |
| Mother | Smt. J Suneetha Varma |



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| | |
|----------------------------|--|
| Brother | 1. J Lokaprakash Varma 2. J Vishvesh Kumar Varma |
| Sister | Smt. Nagambika Varma Jhetty |
| Son | 1. Shashank Varma Jetty 2. Hitesh Varma Jetty |
| Daughter | -- |
| Spouse's Father | Late. Chanchuram Varma Jetty |
| Spouse's Mother | Late Varalakshmi Varma Jetty |
| Spouse's Brother(s) | 1. Jetty Mallikarjuna Varma 2. Jetty Sudhakar Varma |
| Spouse's Sister(s) | Late. M Sunandha |

The following natural persons form part of the Promoter Group as immediate relatives of our Promoter, Mr. Shashank Varma Jetty, in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations:

| | |
|------------------------|-------------------------|
| Spouse | Poojashree Varma |
| Father | Madhusudhan Varma Jetty |
| Mother | Radhika Varma Jetty |
| Brother | Hitesh Varma Jetty |
| Sister | -- |
| Son | -- |
| Daughter | -- |
| Spouse's Father | S D Bhaskar |
| Spouse's Mother | Bhagya Lakshmi |



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| | |
|----------------------------|-------------------|
| Spouse's Brother(s) | Mahima Bhaskar |
| Spouse's Sister(s) | Yashas Subramanya |

The following natural persons form part of the Promoter Group as immediate relatives of our Promoter, Mr. Hitesh Varma Jetty, in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations:

| | |
|----------------------------|-------------------------|
| Spouse | -- |
| Father | Madhusudhan Varma Jetty |
| Mother | Radhika Varma Jetty |
| Brother | Shashank Varma Jetty |
| Sister | -- |
| Son | -- |
| Daughter | -- |
| Spouse's Father | -- |
| Spouse's Mother | -- |
| Spouse's Brother(s) | -- |
| Spouse's Sister(s) | -- |



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Annexure C

Details of the related party transactions with the Company

(₹ in Thousands)

| S. No | Name of the related party | Nature of Transaction | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|-------|---------------------------|------------------------|---------------------|---------------------|---------------------|
| 1. | Madhusudhan Varma Jetty | Salary Expenses | -- | 5,267 | 6,266 |
| | | Directors Remuneration | 9,420 | 2,960 | -- |
| | | Commission Expenses | 4,239 | 8,417 | 6,140 |
| | | Unsecured Loan | 8,000 | 8,000 | -- |
| 2. | Radhika Varma Jetty | Salary Expenses | 2,439 | 1,558 | 1,600 |
| | | Commission Expenses | -- | 689 | 689 |
| 3. | Shashank Varma Jetty | Salary Expenses | 4,773 | 2,570 | 2,117 |
| | | Commission Expenses | 2,413 | 2,755 | 1,800 |



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Annexure D

Details of communications made with Mr. J Lokaprakash Varma

| Sr. No. | Nature of the correspondence | Date and time of letter/email sent | Date and time of delivery of letter/email |
|---------|--|------------------------------------|---|
| 1 | Mr. Madhusudhan Varma Jetty requested Mr. J Lokaprakash Varma to provide the requisite information required to be obtained from him, his Connected Entities, through Email sent on | February 19, 2025, 17:10 | February 19, 2025, 17:10 |
| 2 | Reply from Mr. J Lokaprakash Varma, in which he did not provide the requested information required to be obtained from him and his Connected Entities, if any. | February 25, 2025, 23:53 | February 25, 2025, 23:53 |
| 3 | Mr. Madhusudhan Varma Jetty sent subsequent email requesting Mr. J Lokaprakash Varma to provide information. | March 25, 2025, 15:34 | March 25, 2025, 15:34 |
| 4 | Reply from Mr. J Lokaprakash Varma, in which he did not provide requested information. | April 2, 2025, 20:19 | April 2, 2025, 20:19 |
| 5 | Finally, the Company has dispatched the letter through RPAD, requesting him to provide information. | April 3, 2025 | April 7, 2025 |

