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Due Diligence and Transaction Advisory

Sample Due Diligence Report

ABC Tech Private Limited

Prepared for	Sample Growth Fund
Transaction	Proposed Series A investment
Scope	Corporate, financial, tax, legal and commercial
Cut off date	30 September 2026
Report date	15 October 2026
Status	Illustrative sample only

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This fictional example shows how a decision focused report may be structured. ABC Tech Private Limited and all amounts, facts and findings are invented. Do not use this sample as professional advice or evidence for a real transaction.

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1 Executive summary

Sample Growth Fund is considering a Series A investment in ABC Tech Private Limited. The illustrative review covers corporate records, financial information, tax filings, material contracts and selected employment and intellectual property records made available by the cut off date.

Recommendation

Proceed subject to resolution of the red finding before closing and completion of the amber actions within the agreed timetable. The red finding concerns ownership of software code created by two early contractors. The principal amber findings concern an unreconciled GST balance and a customer contract with a change of control consent requirement.

Ref	Finding	Risk	Exposure	Required action
L-01	IP assignment missing for two early contractors	Red	Unquantified	Execute confirmatory assignments before closing
T-02	GST input credit differs from the ledger	Amber	INR 8.4 lakh	Reconcile and obtain tax adviser confirmation
C-03	Change of control consent required from a major customer	Amber	Revenue at risk INR 1.2 crore	Obtain written consent before closing
F-04	Monthly revenue reporting agrees to invoices reviewed	Green	None identified	No further action

2 Scope and limitations

The sample assumes review of the data room index, incorporation documents, share capital records, audited financial statements for FY2024 to FY2026, management accounts to August 2026, tax returns, the ten largest customer and supplier contracts, employment records for key personnel and registered intellectual property. No technical penetration test, valuation opinion or legal opinion on foreign law is included.

Missing information

The final signed contract for one distributor and evidence supporting two historic software assignments were not available at the cut off date. The report therefore records those matters as information gaps rather than clean conclusions.

3 Corporate and secretarial review

The certificate of incorporation, memorandum and articles, statutory registers, board minutes, shareholder minutes and selected ROC filings were reviewed. The issued share capital reconciled to the cap table after one post closing adjustment was identified and documented.

Ref	Observation	Impact	Risk	Recommendation
CS-01	One share certificate was issued 19 days after the internal target date.	Administrative weakness; no ownership mismatch identified.	Amber	Confirm statutory treatment with the company secretary and document remediation.
CS-02	Cap table agrees to allotment records after including the FY2025 convertible note conversion.	Ownership basis is supported by the reviewed records.	Green	Retain reconciliation in the completion file.

4 Financial and tax review

Revenue growth was supported by invoice and bank receipt samples, subject to the agreed sample limitations. Normalised EBITDA excludes a one time litigation settlement of INR 12 lakh. Working capital increased because customer collection days rose from 51 to 68 days in the final reviewed quarter.

Metric	FY2024	FY2025	FY2026	Observation
Revenue INR crore	4.8	7.1	10.4	Growth supported by reviewed samples
Reported EBITDA INR crore	0.3	0.8	1.2	Includes one time settlement
Normalised EBITDA INR crore	0.3	0.8	1.32	Adds back INR 0.12 crore settlement
Receivable days	43	51	68	Collection performance weakened

5 Legal commercial and people review

The customer concentration review identified that the largest customer contributed 29 percent of FY2026 revenue. Its agreement requires prior written consent for a change of control. Employment agreements for key employees contained confidentiality terms, but two early contractor agreements did not include adequate present assignment language for created software.

Ref	Finding	Evidence	Risk	Deal treatment
L-01	IP assignment missing for two contractors	Signed contractor agreements and code contribution records	Red	Condition precedent and specific warranty
C-03	Customer consent required	Clause 14 of master services agreement	Amber	Condition precedent or closing waiver
HR-02	Key employees have current signed agreements	Employment file sample	Green	Normal bring down confirmation

6 Closing actions

Action	Owner	Deadline	Evidence	Status
Execute confirmatory IP assignments	Founder and legal counsel	Before closing	Signed deeds and acknowledgement	Open
Obtain customer change of control consent	Chief executive officer	Before closing	Written customer consent	Open
Complete GST reconciliation	Finance lead and tax adviser	10 business days	Reconciliation and adviser note	Open

Illustrative conclusion

On the assumed facts, the transaction may proceed after the IP ownership gap is cured and the required customer consent is obtained. The investment documents should include specific warranties covering intellectual property ownership, the completeness of disclosed contracts and the GST reconciliation. The final report should be updated for evidence received after the cut off date through a dated supplement rather than silent edits.

Use limitation

This sample is educational and does not prescribe a universal due diligence standard. The required workstreams, evidence, signatories and form depend on the transaction and applicable law. Regulated matters may require a prescribed report issued by an eligible professional.

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