

DUO WORLD INC

FORM 8-K (Current report filing)

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Address	170 S, GREEN VALLEY PARKWAY, SUITE 300 HENDERSON, NV, 89012
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CIK	0001635136
Symbol	DUUO
SIC Code	7372 - Services-Prepackaged Software
Fiscal Year	03/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 2, 2018**

DUO WORLD, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

000-55698

(Commission
File Number)

35-2517572

(I.R.S. Employer
Identification Number)

c/o Duo Software (Pvt.) Ltd.

No. 403 Galle Road

Colombo 03, Sri Lanka

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(870) 505-6540**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2., below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.133-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 3.02 Unregistered Sale of Equity Securities

In December 2017, the Company's Board of Directors adopted the Duo World, Inc. 2017 Employee Stock Ownership Plan and reserved for issuance thereunder an aggregate of 9,611,665 shares of common stock.

Beginning on January 2, 2018, the Company awarded a total of 6,542,500 shares of common stock to employees, including a total of 1,750,000 shares of common stock to two of the Company's executive officers, to wit: 1,500,000 shares to Suzannah Jennifer Samuel Perera, our Chief Executive Officer, and 250,000 shares to Mahmud Riad Ameen, our Legal Director. The aggregate value of the 6,542,500 shares awarded was \$3,042,262.50 in non-cash compensation.

The above shares awarded were issued in reliance on the exclusion from the registration requirements of the Securities Act of 1933, as amended, provided by regulation S promulgated thereunder.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.

As stated in Item 3.02, above, in December 2017, the Company's Board of Directors adopted the Duo World, Inc. 2017 Employee Stock Ownership Plan and reserved for issuance thereunder an aggregate of 9,611,665 shares of common stock.

Beginning on January 2, 2018, the Company awarded a total of 1,750,000 shares of common stock to two of the Company's executive officers, to wit: 1,500,000 shares to Suzannah Jennifer Samuel Perera, our Chief Executive Officer, and 250,000 shares to Mahmud Riad Ameen, our Legal Director. The aggregate value of the 1,750,000 shares awarded was \$813,750 in non-cash compensation.

Item 9.01 Financial Statements and Exhibits.

(d) **Exhibits** – See “Exhibit Index” set forth below.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 12, 2018

DUO WORLD, INC.

By: */s/ Muhunthan Canagasooriyam*

Muhunthan Canagasooriyam
Chief Executive Officer

EXHIBIT INDEX

List of Exhibits attached or incorporated by reference pursuant to Item 601 of Regulation S-B

Exhibit No.	Document Description
99.1	Duo World, Inc. 2017 Employee Stock Ownership Plan (December 2017)

2017 Employee Stock Ownership Plan for Duo World, Inc.**1. Understanding ESOP****What is an ESOP?**

An employee stock ownership plan (ESOP) is a qualified defined-contribution employee benefit plan designed to invest primarily in the stock of the sponsoring employer. ESOPs are "qualified" in the sense that the ESOP's sponsoring company, the selling shareholder and participants receive various tax benefits.

Other Forms of Employee Ownership

Other versions of employee ownership include direct purchase plans, stock options, restricted stock, phantom stock and stock appreciation rights.

Direct-purchase plans let employees purchase shares of their respective companies with their personal after-tax money. Some countries provide special tax-qualified plans that let employees purchase stocks of companies at discounted prices.

Restricted stock give the employees the right to receive shares as a gift or as a purchased item after particular restrictions are met such as working for a specific period of time or hitting specific performance targets.

Stock options provide employees the opportunity to buy shares at a fixed price for a set period of time.

Phantom stock provides cash bonuses for good employee performance. These bonuses equate to the value of a particular number of shares.

2. Rational of ESOP for Duo World Inc.

While ESOP's have a wide range of benefits for any organization, Duo World, Inc. could benefit as follows

- a. It gives the company the ability to reward and recognize key employees without incurring a cash out flow.

Like any other product development company that is in R&D and development stage, Duo World Inc. has been having to manage with limited cash flows during the last two years.

An ESOP could be the tool that the company uses to show its appreciation to its employees.

b. ESOP would help DW retain key employees

Retention of key employees, determines the success of any organization in the long run. Retention of some of the key contributors including management and software architects and staff would be critical to Duo World

While there are many factors that motivate an employee to continue to provide their services to the company, most of them also mean a bigger cash out flow. (High salary increments, big bonuses, great employee benefits like medical, etc.). However, ESOP is a non cash benefit that will motivate key employees to remain with the company

c. ESOP would align the objectives of the staff with that of Duo World shareholders

When employees become shareholders, they look at the long term success and profitability of the organization, and tend to work towards achieving them

Proposed Employee Stock Plan for Duo World

No of shares for ESOP

Currently the company has in issue,

- Common stock - 41,116,654
- Preferred stock – 5,500,00 (to be converted at 10 common stock for every one preferred stock held)
- A fully diluted shareholding of 96,116,654

It is proposed that the company issue or reserve for future issuance an additional 9,611,665 shares of common stock under the ESOP as at December 2017:

<u>Categories</u>	<u>Description</u>	<u>Shares allocated</u>	<u>ESOP Plan</u>
Total shares for category A	Sen Mgmt	2,500,000	Held in Trust
Total shares for category B	Middle/Junior mgmt. & selected staff	1,720,000	Held in Trust
Total shares for category C	Staff Pool	572,500	Held in Trust
Total shares for category D	Direct Issue	1,750,000	Direct Issue
Unallocated shares		3,069,165	Held in Trust
Total no of shares for ESOP		9,611,665	

Category A – Senior Management

1. Ajeewan Arumugam
2. Sudarshini Rajaratnam
3. Anjana Nilupul Chandrathilake
4. Rangika Malintha Perera
5. H M Sukitha Chanaka Jayasinghe

Category B – Junior Management and Selected employees

1. Shehan Tissera
2. Chinthaka Thiyambarawatte
3. Ronnie Marlon
4. D. I. Harshana Kumarasinghe
5. Sampath Niroshana Hewamanage
6. K Y Dheeran
7. Christine Amithapkumar
8. Siddhartha Guha Thakurta

Category C – Staff Pool

As of November 2017, there are 73 permanent and full time employees at Duo World Inc. Out of which 15 employees fall under categories A, B and D, and are excluded from the staff pool, resulting in a staff pool of 58 employees.

Out of the 58 employees, those who have been in permanent employment for a minimum period of 3 years, and meet the following criteria / qualifications, qualify for the common stock under the ESOP

- a. Have a constant performance rating of 75 and above for all 3 years
- b. Should have contributed towards meeting team targets / deadlines and contribute to a positive team ROI
- c. Loyalty / attitude towards the company

Exceptions to the qualifying criteria.

The Board of Directors retains the right to award common stock under the ESOP to employees with exceptional performance or skills prior to their completion of three years.

Such allocation has to be approved on a case by case basis by the CEO

In the 2017 – ESOP, there are 3 such employees who have been allocated commons stock, though they have not completed 3 years in employment with the company.

Illustrated as follows,

<u>Name of Employee</u>	<u>Basic Req - Years in emp</u>	<u>Criteria 1 - Perf rating > 75</u>	<u>Criteria 2 - Ach of team targets</u>	<u>Criteria 3 - Loyalty towards DWI</u>	<u>Total Points</u>	<u>No of common stock</u>
Mr. A	Yes	1	1	1	3	15,000
Mr. B	No					-
Mr. C	Yes			1		-
Mr. D	Yes					-
Mr. E	Yes	1		1	2	10,000
Mr. F	Yes	1	1		2	10,000
Mr. G	Yes	1		1	2	10,000

Each employee qualifies to receive up to 15,000 shares of common stock; provided they have been with DWI for a minimum of 3 years in permanent employment. The quantum of stock would depend on the employee meeting the 3 Criteria set out above. Criteria 1 and 2 are basic criteria and unless at least one of them is met, the employee will not qualify for any stock even if Criterion 3 is met.

Category C – Direct Issue

1. Riad Ameen
2. Jennifer Samuel Perera

Mechanism for sale of shares allocated under the ESOP

- Maximum number of shares of common stock that can be sold in any 12 month period is 33 1/3% of the total allocated Sale of ESOP stock would be in conformity to Insider Trading Polices adopted by Duo World, and only after confirmation from Information Controller
- Stock issued under the ESOP are restricted securities and cannot be resold for at least 12 months after issuance.
- Thereafter, the employees could instruct the trustee to sell the shares on their behalf and the trustee would transfer the sales proceeds to the employees without deduction

Administration of the ESOP

The Duo World, Inc. Board of Directors shall administer the ESOP.

