

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as a registered Equity Shareholder of Nucleus Software Exports Limited as on the Record Date (as defined below) in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended. If you require any clarifications about the action to be taken, you may consult your Stock Broker (as defined below) or your investment consultant or the Manager to the Buyback i.e., Corporate Professionals Capital Private Limited or the Registrar to the Buyback, i.e., Kfin Technologies Private Limited. Please refer to the "Definitions" section of this Draft Letter of Offer for the definitions of capitalized terms used herein.




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|  <p align="center">NUCLEUS SOFTWARE</p> | <p>NUCLEUS SOFTWARE EXPORTS LIMITED CIN: L74899DL1989PLC034594 Registered Office: 33-35, Thyagraj Nagar Market, New Delhi-110003, India Tel.: 120-4031400, Fax: 120-4031672 Corporate Office: A-39, Sector-62, Noida, Uttar Pradesh-201307, India; Website: www.nucleussoftware.com; E-mail: investorrelations@nucleussoftware.com; Contact Person: Ms. Poonam Bhasin, Company Secretary & Compliance Officer</p> |
| <p>OFFER FOR BUYBACK OF UP TO 22,67,400 (TWENTY TWO LAKH SIXTY SEVEN THOUSAND AND FOUR HUNDRED ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹10/- (RUPEES TEN ONLY) EACH OF NUCLEUS SOFTWARE EXPORTS LIMITED ("THE COMPANY"), REPRESENTING UP TO 7.81% OF THE TOTAL PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EQUITY SHAREHOLDERS OF THE COMPANY AS ON THE RECORD DATE I.E., SATURDAY, NOVEMBER 27, 2021, ON A PROPORTIONATE BASIS, THROUGH THE TENDER OFFER ROUTE (AS DEFINED BELOW), AT A PRICE OF ₹700/- (RUPEES SEVEN HUNDRED ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT OF UP TO ₹1,58,71,80,000 (RUPEES ONE HUNDRED FIFTY EIGHT CRORE SEVENTY ONE LAKH EIGHTY THOUSAND ONLY).</p> | |
| <ol style="list-style-type: none"> The Buyback (as defined below) is in accordance with Article 57 of the Articles of Association of the Company, Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, the SCD Rules (as defined below), to the extent applicable, and in compliance with the Buyback Regulations (as defined below) and subject to such other approvals, permissions and sanctions as may be necessary, and such other conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board (as defined below). The Buyback is within the statutory limits of 25% of the aggregate of the total paid-up equity share capital and free reserves of the Company as per the audited standalone and consolidated balance sheet of the Company as at March 31, 2021 (the last audited balance sheet available as on the date of the Board Meeting (as defined below) recommending the proposal of the Buyback). The Buyback Size (as defined below) is 24.90% and 24.01% of the aggregate of the total paid-up Equity Share capital and free reserves of the Company on standalone and consolidated basis respectively, as per the latest audited standalone as well as consolidated balance sheet, as at March 31, 2021. A copy of the Public Announcement (as defined below), this Draft Letter of Offer and the Letter of Offer (including the Tender Form) shall also be available on the website of Securities and Exchange Board of India at www.sebi.gov.in. The Letter of Offer will also be available on the websites of the Company, the Registrar to the Buyback, the Stock Exchanges and the Manager at www.nucleussoftware.com, www.kfintech.com, www.bseindia.com, www.nseindia.com, and www.corporateprofessionals.com, respectively. The Letter of Offer will be sent to the Equity Shareholder(s)/beneficial owner(s) of Equity Shares as on the Record Date i.e., Saturday, November 27, 2021 ("Eligible Shareholders"). The procedure for tendering and settlement is set out in paragraph 20 on page 37 of this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the Tender Form) is enclosed together with this Draft Letter of Offer. For mode of payment of consideration to the Eligible Shareholders, please refer to paragraph 20.28 on page 44 of this Draft Letter of Offer. Eligible Shareholders are advised to refer to Details of the Statutory Approvals (paragraph 17 of page 29) and Note on Taxation (paragraph 21 of page 46) before tendering their Equity Shares in the Buyback. | |
| <p>MANAGER TO THE BUYBACK</p> | <p>REGISTRAR TO THE BUYBACK</p> |
|  <p>Corporate Professionals Corporate Professionals Capital Private Limited D-28, South Extension Part-1, New Delhi-110049, India Contact person: Ms. Anjali Aggarwal Telephone: 011-40622230/40622200/40622219; Email: mb@indiap.com Website: www.corporateprofessionals.com SEBI Registration No.: INM000011435 Validity Period: Permanent Corporate Identity Number: U74899DL2000PTC104508</p> |  <p>KFin Technologies Private Limited Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi-500032, Telangana, India Contact Person: Mr. M Murali Krishna Telephone: +91-4067162222/18003094001 Email: nsl.buyback@kfintech.com Website: www.kfintech.com SEBI Registration No.: INR000000221 Validity Period: Permanent Corporate Identity Number: U72400TG2017PTC117649</p> |
| <p align="center">BUYBACK PROGRAMME</p> | |
| <p>BUYBACK OPENS ON</p> | <p align="center"> ● </p> |
| <p>BUYBACK CLOSES ON</p> | <p align="center"> ● </p> |
| <p>LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR TO THE BUYBACK</p> | <p align="center"> ● </p> |

TABLE OF CONTENTS

| | |
|---|----|
| 1. SCHEDULE OF ACTIVITIES: | 1 |
| 2. DEFINITION OF KEY TERMS: | 1 |
| 3. DISCLAIMER CLAUSE | 5 |
| 4. TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS | 7 |
| 5. DETAILS OF THE PUBLIC ANNOUNCEMENT | 13 |
| 6. DETAILS OF THE BUYBACK | 13 |
| 7. AUTHORITY FOR THE BUYBACK | 16 |
| 8. NECESSITY OF THE BUYBACK..... | 16 |
| 9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF THE BUYBACK ON THE COMPANY..... | 16 |
| 10. BASIS OF CALCULATING THE BUYBACK PRICE | 19 |
| 11. SOURCES OF FUNDS FOR THE BUYBACK | 20 |
| 12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN | 20 |
| 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN | 21 |
| 14. BRIEF INFORMATION OF THE COMPANY | 22 |
| 15. FINANCIAL INFORMATION ABOUT THE COMPANY..... | 26 |
| 16. STOCK MARKET DATA | 28 |
| 17. DETAILS OF THE STATUTORY APPROVALS | 29 |
| 18. DETAILS OF THE REGISTRAR TO THE BUYBACK AND COLLECTION CENTRES | 30 |
| 19. PROCESS AND METHODOLOGY FOR THE BUYBACK | 31 |
| 20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT | 37 |
| 21. NOTE ON TAXATION | 46 |
| 22. DECLARATION BY THE BOARD OF DIRECTORS..... | 49 |
| 23. AUDITORS CERTIFICATE..... | 50 |
| 24. DOCUMENTS FOR INSPECTION..... | 53 |
| 25. DETAILS OF THE COMPLIANCE OFFICER..... | 54 |
| 26. DETAILS OF THE REMEDIES AVAILABLE TO THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS..... | 54 |
| 27. DETAILS OF INVESTOR SERVICE CENTRE..... | 55 |
| 28. DETAILS OF THE MANAGER TO THE BUYBACK | 55 |
| 29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THIS DRAFT LETTER OF OFFER | 56 |
| 30. OFFER FORM..... | 56 |

1. SCHEDULE OF ACTIVITIES:

| Activity | Date | Day |
|--|--------------------|----------|
| Date of the Board Meeting to approve the proposal for Buyback of Equity Shares. | September 24, 2021 | Friday |
| Date of declaration of results of the Postal Ballot through remote e-voting for Special Resolution by the Equity Shareholders of the Company, approving the Buyback. | November 16, 2021 | Tuesday |
| Date of publication of Public Announcement for the Buyback. | November 18, 2021 | Thursday |
| Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders | November 27, 2021 | Saturday |
| Buyback Opening Date | [•] | [•] |
| Buyback Closing Date | [•] | [•] |
| Last date of verification by the Registrar to the Buyback | [•] | [•] |
| Last date for providing Acceptance/non-Acceptance to the Stock Exchange by the Registrar to the Buyback | [•] | [•] |
| Last date for settlement of bids on the Stock Exchange | [•] | [•] |
| Last date for return of unaccepted Equity Shares by Stock Exchange to Eligible Shareholders/Stock Brokers | [•] | [•] |
| Last date for payment of consideration to Eligible Shareholders who participated in the Buyback | [•] | [•] |
| Last date for extinguishment of Equity Shares | [•] | [•] |

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.

2. DEFINITION OF KEY TERMS:

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specifies otherwise, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

| Term | Description |
|---|---|
| Acceptance/Accept/ Accepted | Acceptance of fully paid-up Equity Shares tendered by Eligible Shareholders in the Buyback. |
| Act or Companies Act | The Companies Act, 2013, as amended including the rules and regulations made thereunder. |
| Acquisition Window | The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, as amended via circular no. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, and SEBI circular CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, including any amendments thereof. |
| Additional Equity Shares or Additional Shares | Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder not |

| Term | Description |
|------------------------------------|---|
| | exceeding the Equity Shares held by such Eligible Shareholder as on the Record Date. |
| Articles/ AOA | Articles of Association of the Company, as amended from time to time. |
| Board/Board of Directors | Board of Directors of the Company (which term shall include any committee constituted and authorized by the Board pursuant to its resolution dated Friday, September 24, 2021 to exercise its powers, in connection with the Buyback). |
| Board Meeting | Meeting of the Board of Directors held on Friday, September 24, 2021. |
| BSE | BSE Limited |
| Buyback or Buyback Offer or Offer | Offer by the Company to buyback 22,67,400 (Twenty Two Lakh Sixty Seven Thousand and Four Hundred Only) fully paid-up Equity Shares at the Buyback Price of ₹700/- (Rupees Seven Hundred Only) per equity share for an aggregate amount not exceeding ₹1,58,71,80,000/- (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only) from Eligible Shareholders, through the Tender Offer route through the stock exchange mechanism in terms of the Buyback Regulations read with the SEBI Circulars, on a proportionate basis. |
| Buyback Period | The period between the date of declaration of results of the postal ballot i.e., Tuesday, November 16, 2021 and the date on which the payment of consideration to the shareholders, whose Equity Shares have been accepted under the Buyback, will be made. |
| Buyback Committee | The Buyback Committee, comprising of Mr. Vishnu R Dusad, Managing Director, Mr. Parag Bhise, Executive Director and CEO, Mr. Prithvi Haldea, Independent Director, Mr. Anurag Mantri, Executive Director and CFO and Ms. Poonam Bhasin, Company Secretary & Compliance Officer, constituted and authorized for the purposes of the Buyback by the resolution dated Friday, September 24, 2021 of the Board of Directors. |
| Buyback Closing Date | [●], being the last date up to which the tendering of shares by Eligible Sellers will be allowed. |
| Buyback Entitlement or Entitlement | The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback, based on the number of Equity Shares held by such Eligible Shareholder, on the Record Date and the ratio of Buyback applicable to the category, to which such Eligible Shareholder belongs. |
| Buyback Opening Date | [●], being the date from which the tendering of Equity Shares by Eligible Sellers will be allowed. |
| Buyback Period | The period between the date of declaration of results of postal ballot for special resolution i.e., Tuesday, November 16, 2021 till the date on which the payment of consideration to shareholders who have accepted the Buyback offer will be made. |
| Buyback Price or Offer Price | Price at which Equity Shares will be bought back from the Eligible Shareholders i.e., ₹700/- (Rupees Seven Hundred Only) per fully paid-up Equity Share, payable in cash. |
| Buyback Regulations | The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 including any statutory modifications or re-enactments thereof. |
| Buyback Size | Number of Equity Shares proposed to be bought back i.e., 22,67,400 (Twenty Two Lakh Sixty Seven Thousand Four Hundred Only) Equity |

| Term | Description |
|--|--|
| | Shares multiplied by the Buyback Price i.e., ₹700/- (Rupees Seven Hundred Only) per Equity Share, aggregating up-to ₹1,58,71,80,000 (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only). |
| Buyback Tax | Buyback Tax is defined under Clause 115QA of the Income Tax Act 1961, i.e., Tax on distributed income to shareholders. - (1) Notwithstanding anything contained in any other provision of this Act, in addition to the income-tax chargeable in respect of the total income of a domestic company for any assessment year, any amount of distributed income by the company on buy-back of shares (not being shares listed on a recognised stock exchange) from a shareholder shall be charged to tax and such company shall be liable to pay additional income-tax at the rate of twenty per cent on the distributed income. |
| CDSL | Central Depository Services (India) Limited. |
| Clearing Corporation | NSE Clearing Limited |
| Companies Act | The Companies Act, 2013, together with the Rules, as amended. |
| “Company” or “Our Company” or “us” or “we” or “our” | Nucleus Software Exports Limited unless the context states otherwise. |
| Company Demat Account | Demat account of the Company designated for the Buyback. |
| Company’s Broker | Bharat Bhushan Equity Traders Limited |
| Company Secretary & Compliance Officer | Ms. Poonam Bhasin |
| Depositories | Collectively, National Securities Depository Limited and Central Depository Services (India) Limited |
| Designated Stock Exchange | The designated stock exchange for the Buyback, being the NSE. |
| Director | Director(s) of the Company. |
| DP | Depository Participant |
| Draft Letter of Offer | This Draft Letter of Offer dated Thursday, November 25, 2021. |
| Eligible Shareholder(s) or Eligible Person or Equity Shareholder or Eligible Sellers | Person(s) eligible to participate in the Buyback Offer and would mean all Equity Shareholders/ beneficial owners of Equity Shares of the Company as on the Record Date being Saturday, November 27, 2021. |
| Equity Shares | Fully paid-up equity shares of face value of ₹10/- (Rupees Ten Only) each of the Company. |
| Equity Shareholder(s) | Holder(s) of the fully paid-up Equity Shares including beneficial owner(s) thereof. |
| Escrow Account | The Escrow Account titled “NSEL Buyback Escrow Account-2021” opened with the HDFC Bank Limited. |
| Escrow Agent | HDFC Bank Limited |
| Escrow Agreement | The Escrow Agreement dated Tuesday, November 23, 2021 entered into between the Company, the Manager to the Buyback and the Escrow Agent. |
| FEMA | Foreign Exchange Management Act, 1999 including the regulations, circulars, directions and notifications issued thereunder |
| FII(s)/FPI(s) | Foreign Institutional Investors / Foreign Portfolio Investors |

| Term | Description |
|--------------------------------|--|
| General Category | Eligible Sellers other than the Small Shareholders. |
| GST | Goods and Services Tax |
| HUF | Hindu Undivided Family |
| IT Act/Income Tax Act | Income-tax Act, 1961, as amended |
| Letter of Offer | The Letter of Offer dated [●] to be filed with SEBI containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer. |
| LODR Regulations | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. |
| Management Rules | Companies (Management and Administration) Rules, 2014 |
| Manager to the Buyback/Manager | Corporate Professionals Capital Private Limited |
| Non-Resident Shareholders | Includes Shareholders of the Company who are NRIs, Foreign Institutional Investors (FIIs), Foreign Portfolio Investors (FPIs), OCB and Foreign Nationals. |
| NRI | Non-Resident Indian |
| NSDL | National Securities Depository Limited. |
| NSE | National Stock Exchange of India Limited |
| OCB | Erstwhile Overseas Corporate Bodies |
| PAN | Permanent Account Number |
| Postal Ballot Notice | Notice of postal ballot dated Tuesday, October 12, 2021 for obtaining approval for the Buyback from the shareholders of the Company. |
| Promoter and Promoter Group | Promoter and promoter group as have been disclosed under the filings made by the Company under the LODR Regulations, and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. |
| Public Announcement | Public announcement dated Wednesday, November 17, 2021 regarding the Buyback, published on Thursday, November 18, 2021 in Business Standard (All editions), an English national daily, Business Standard (All editions), a Hindi (Regional language) national daily. |
| Physical Form | Tender Form for Eligible Shareholders holding physical shares. |
| RBI | Reserve Bank of India |
| Record Date | Saturday, November 27, 2021 being the date for the purpose of determining the Buyback Entitlement and the names of the Eligible Shareholders to whom the Letter of Offer and Tender Form will be sent, and who are eligible to participate in the proposed Buyback in accordance with the Buyback Regulations. |
| Registrar | KFin Technologies Private Limited, Registrar to the Buyback. |
| Rules | Rules notified under Companies Act, 2013, as amended. |
| SCD Rules | The Companies (Share Capital and Debenture) Rules, 2014. |
| SEBI | Securities and Exchange Board of India |
| SEBI Circulars | Unless otherwise mentioned, the SEBI Circular regarding “Mechanism for acquisition of shares through Stock Exchange pursuant to Buyback Offer” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 |

| Term | Description |
|---|---|
| | dated August 13, 2021, including any amendments or statutory modifications for the time being in force. |
| Small Shareholder | An Eligible Shareholder, who holds Equity Shares of market value not more than ₹2,00,000 (Rupees Two Lakhs only), on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on the Record Date. |
| Stock Broker(s)/ Seller Member/ Seller Broker/ Shareholder Broker | A stock broker (who is a member of the BSE and/or NSE) of an Eligible Shareholder, through whom such Eligible Shareholder can participate in the Buyback. |
| Stock Exchange | BSE and NSE being the stock exchanges where the Equity Shares of the Company are listed. |
| Stock Exchange Mechanism | The “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI Circular. |
| STT | Securities Transaction Tax |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. |
| Tender Form/ Form(s) | Form of Acceptance–cum–Acknowledgement, enclosed with this Draft Letter of Offer on page 56. |
| Tender Offer | Method of buyback as defined in Regulation 4(iv) of the Buyback Regulations. |
| Tendering Period | Period of 10 (Ten) Working Days from the Buyback Opening Date till the Buyback Closing Date (both days inclusive). |
| TRS | Transaction Registration Slip |
| Working Day | As per Regulation 2(s) of Buyback Regulations the Working Day shall mean any working day of the Securities and Exchange Board of India. |

3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback, Corporate Professionals Capital Private Limited, has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act and Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose. Pursuant to this requirement, the Manager to the Buyback, Corporate Professionals Capital Private Limited, has furnished to SEBI a due diligence certificate dated Thursday, November 25, 2021, in accordance with Buyback Regulations, which reads as follows:

“We have examined various documents and materials relevant to the Buyback as part of the due diligence carried out by us in connection with the finalization of the Public Announcement dated Wednesday,

November 17, 2021, published on Thursday, November 18, 2021 (**the “Public Announcement”**) and the Draft Letter of Offer dated Thursday, November 25, 2021 (**“DloF”**). On the basis of such examination and the discussions with the Company, we hereby state that:

1. *The Public Announcement and the DloF are in conformity with the documents, materials and papers relevant to the Buyback Offer;*
2. *All the legal requirements connected with the said offer including the SEBI (Buy-Back of Securities) Regulations, 2018, as amended, have been duly complied with.*
3. *The disclosures in the Public Announcement and the DloF are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a **well-informed decision** in respect of the captioned Buyback.*
4. *Funds used for Buyback shall be as per the provisions of the Companies Act.”*

The **filing of the offer document with SEBI** does not, however, absolve the Company from any liabilities under the provisions of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Promoter, Promoter Group and Board of Directors of the Company declare and confirm that no information/ material likely to have a bearing on the decision of Eligible Shareholders has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/withheld and/or amounts to a mis-statement/misrepresentation, the Promoter and Promoter Group, Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

The Promoter, Promoter Group and Board of Directors of the Company also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as ‘aim’, ‘anticipate’, ‘believe’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘will’, ‘will continue’, ‘will pursue’, or other words or phrases of similar import. Similarly, statements that describe the Company’s strategies, objectives, plans or goals expectations regarding stock price, the ability to participate in the Buyback and expectations regarding repurchases are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in which the Company operates and its ability to respond to them, the ability to successfully implement strategies, growth and expansion, technological changes, exposure to market risks, general economic and political conditions in India or other key markets where the Company operates which have an impact on business activities or investments, the monetary and fiscal policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India or globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which the Company operates.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

4. TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS

The Buyback through Tender Offer was considered and approved by the Board of Directors at the Board Meeting held on Friday, September 24, 2021. The extracts of the Board resolution are as follows:

“RESOLVED THAT in accordance with Article 57 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 108 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 (***the “Act”***), applicable provisions of the Companies (Share Capital and Debentures) Rules, 2014 (***the “Share Capital Rules”***), the Companies (Management and Administration) Rules, 2014 (***the “Management Rules”***), including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended (***“the Buyback Regulations”***), and subject to the approval of the members of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the Securities and Exchange Board of India (***“SEBI”***), Registrar of Companies, NCT of Delhi & Haryana (***the “ROC”***) and/ or other appropriate authorities which may be agreed by the Board of Directors of the Company (hereinafter referred to as the ***“Board”***, which expression includes any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) and subject to such conditions and modifications as may be prescribed or imposed by such government, regulatory or statutory authorities, the consent of the Board be and is hereby accorded for the Buyback by the Company of its fully paid-up equity shares of a face value of Rs. 10/- each (***“Equity Shares”***), from the equity shareholders of the Company, as on record date (***“Record Date”***), for an amount not exceeding Rs. 1,58,71,80,000/- (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only), excluding transaction costs viz. brokerage, advisors’ fees, printing and dispatch expenses, applicable taxes such as securities transaction tax, goods and service tax, stamp duty and other related and incidental expenses (hereinafter referred to as the ***“Buyback Offer Size”/“Maximum Offer Size”***), being less than 25% of the aggregate of the paid-up share capital and free reserves as per audited standalone and audited consolidated financial statements of the Company as on March 31, 2021. The Buyback Offer will comprise purchase of equity shares not exceeding 22,67,400 (Twenty Two Lakh Sixty Seven Thousand and Four Hundred only) equity shares aggregating to 7.81 % of the paid-up equity capital of the Company at a price of Rs. 700/- (Rupees Seven Hundred Only) (***“Maximum Buy Back Price”***) per equity share on a proportionate basis through the ***“Tender Offer”*** route (hereinafter referred to as the ***“Buyback”***), in accordance and in consonance with the provisions contained in the Buyback Regulations, the Act and the Management Rules;

RESOLVED FURTHER THAT the Company shall implement the Buyback from out of its free reserves and/or Securities Premium account and/or such other sources as may be permitted by applicable law and that the Buyback shall be through the Tender Offer route in such manner as may be prescribed under the Act and the Buyback Regulations and on such terms and conditions as the Board may deem fit, subject to members’ approval by way of Postal Ballot;

RESOLVED FURTHER THAT in accordance with Section 68 and all other applicable provisions, if any, of the Act, the Articles of Association of the Company, and other applicable laws, the approval of the members for the Buyback be sought by way of Postal Ballot;

RESOLVED FURTHER THAT as required by Regulation 6 of the Buyback Regulations, the Company shall buy back of Equity Shares from the members on a proportionate basis under the Tender Offer route, provided that 15% of the number of Equity Shares which the Company proposes to buy back or the number of Equity Shares entitled as per the shareholding of small shareholders as defined in the Buyback Regulations (“**Small Shareholders**”) as of the Record Date, whichever is higher, shall be reserved for Small Shareholders;

RESOLVED FURTHER THAT all of the shareholders of the Company will be eligible to participate in the Buyback including promoters and promoter group of the Company and their associates who hold Equity Shares as of the Record Date, persons in control (including such persons acting in concert) who hold Equity Shares as of the Record Date, except the Promoters & Promoter Groups who have intimated to not to participate in the proposed buy back;

RESOLVED FURTHER THAT the Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended vide SEBI Circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, including any amendments thereof;

RESOLVED FURTHER THAT the Buyback from non-resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors, Foreign Portfolio Investors and members of foreign nationality, if any, shall be subject to such approvals, if any and to the extent necessary or required from concerned authorities and not limited to approvals from the Reserve Bank of India (“**RBI**”) under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, Income Tax Act, 1961 and rules and regulations framed there under, if any;

RESOLVED FURTHER THAT the Company has complied and shall continue to comply with Section 70 of the Companies Act 2013 (the Act), wherein:

1. It shall not directly or indirectly purchase its own shares:
 - i. Through a subsidiary company including its own subsidiary companies, if any; or
 - ii. Through any investment company or group of investment companies;
2. There are no defaults subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any member, or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years; and
3. The Company is in compliance with the provisions of Sections 92,123,127 and 129 of the Act.

RESOLVED FURTHER THAT nothing contained hereinabove shall confer any right on the part of any member to offer, or any obligation on the part of the Company or the Board of Directors to Buyback any shares and/or impair any power of the Company or the Board of Directors to terminate any process in relation to such Buyback if so permissible by law;

RESOLVED FURTHER THAT the Company shall earmark adequate sources of funds for the purpose of the Buyback;

RESOLVED FURTHER THAT as required under the proviso to Section 68(6) of the Act and Regulation 8 of the Buyback Regulations, the draft Declaration of Solvency along with annexure on the Statement of Assets and Liabilities as on March 31, 2021 be and is hereby approved and the same will be filed with the ROC and SEBI after having it verified by an affidavit and signed by Mr. Vishnu R Dusad, Managing Director and Mr. Parag Bhise, Executive Director and CEO.

RESOLVED FURTHER Mr. Vishnu R Dusad Managing Director and Mr. Parag Bhise, Executive Director and CEO be and are hereby jointly authorized to make changes in the Declaration of Solvency as may be necessary, to sign and to file the same with the ROC and SEBI;

RESOLVED FURTHER THAT a Buyback Committee comprising of Mr. Vishnu R Dusad, Managing Director, Mr. Parag Bhise, Executive Director and CEO, and Mr. Prithvi Haldea, Independent Director. Mr. Anurag Mantri, Executive Director and CFO and Ms. Poonam Bhasin, Company Secretary & Compliance Officer be and is hereby constituted and the powers of the Board in respect of the Buyback be delegated to the Committee ("**Buyback Committee**") and the Buyback Committee be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buyback, including, but not limited to, the following:

1. Initiating all necessary actions for preparation, amendments, finalization and dispatch of notice for Postal Ballot along with explanatory statement and seek member approval for the Buyback;
2. Filing of Public Announcement, the draft Letter of Offer, the Letter of Offer and other related documents;
3. Preparation of and making any corrections, amendments, deletions, additions to the Public Announcement, draft Letter of Offer, Letter of Offer, Declaration of Solvency and related documents with the SEBI, ROC, the stock exchanges and other appropriate authority(ies), if any;
4. Finalizing the terms of Buyback such as the entitlement ratio, fixing the Record Date, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback;
5. Appointing Merchant Banker, Registrars, Broker, e-voting Agency, Escrow Agents, Bankers, Scrutinizer, Depository Participant, Printers, Advertisement Agency, and other Advisors, Consultants or Representatives and settlement of the remuneration for all such intermediaries/agencies/persons, including the payment of commission, brokerage, fee, charges etc. and enter into agreements/letters in respect thereof;
6. Making of all applications to the appropriate authorities for their requisite approvals;
7. Giving any information, explanation, declarations and confirmation in relation to the Public Announcement, draft Letter of Offer, Letter of Offer as may be required by the relevant authorities;
8. Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback in accordance with the Buyback Regulations;
9. The opening, operation and closure of Escrow Account and Special Account in accordance with the escrow agreement to be executed by the Company in this regard;
10. The opening, operation and closure of demat Escrow Account in accordance with the escrow agreement to be executed by the Company with the depository participants;
11. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buyback;
12. To make all applications to the appropriate authority(ies) for their requisite approvals including for approvals as may be required from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, if any;

13. *To sign the documents as may be necessary with regard to the Buyback and use the common seal of the Company (if required) on relevant documents required to be executed for the Buyback of shares and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other appropriate authorities;*
14. *To deal with stock exchanges (including their clearing corporations), where the Equity Shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 as amended via SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, including any amendments thereof;*
15. *Extinguishment of share certificates and filing of Certificate of extinguishment as required to be filed in connection with the Buyback on behalf of the Board;*
16. *To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper; and*
17. *Sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buyback but not limited to certified copies of all resolutions passed by the Board in connection with the Buyback;*
18. *Obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.*
19. *Sub-delegating all or any of the authorisations conferred on them to any Director(s)/ Officer(s)/ Authorized Signatory(ies)/ Representative(ies) of the Company.*

RESOLVED FURTHER THAT *the Buyback Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the members for the implementation of the Buyback, including but not limited to carrying out incidental documentation as also to make applications to the appropriate authorities for their approvals and to initiate all necessary actions for preparation and issue of various documents, opening of accounts including public announcement, letter of offer, extinguishment of share certificates and ‘Certificate of Extinguishment’ required to be filed in connection with the Buyback on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, Reserve Bank of India, BSE Limited, National Stock Exchange of India Limited, ROC, Depositories and/or other authorities;*

RESOLVED FURTHER THAT *the quorum for a meeting of the Buyback Committee shall be presence of any two members and Buyback Committee may regulate its own proceedings and meet as often as required, to discharge its functions.*

RESOLVED FURTHER THAT *the Buyback Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any officer(s) and/or representatives of the Company, in order to give effect to the aforesaid resolution and to revoke and substitute such delegation / sub-delegation of authority from time to time;*

RESOLVED FURTHER THAT *the Buyback Committee do report from time to time to the Board at the meetings of the Board, status/progress of actions taken by the Buyback Committee concerning Buyback and the minutes of meeting(s) of the Buyback Committee held in the intervening period of two successive meetings of the Board shall be put up at the subsequent meeting of the Board;*

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT in compliance with the Securities and Exchange Board of India (Buyback of Securities) Regulations 2018, M/s. Corporate Professionals Capital Private Limited be and is hereby appointed as the Merchant Banker for the proposed buyback transaction;

RESOLVED FURTHER THAT Ms. Poonam Bhasin, Company Secretary & Compliance Officer of the Company be and is hereby appointed as Compliance Officer for the purpose of said issue and shall be responsible monitoring compliance of securities laws and redressal of investor grievances.

RESOLVED FURTHER THAT no information/ material likely to have a bearing on the decision of the investors has been/shall be suppressed/ withheld and/or incorporated in the manner that would amount to misstatement mis-representation and in the event of it transpiring at any point of time that any information material has been suppressed/ withheld and/ or amounts to mis-statement/ mis-representation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act and Buyback Regulations;

RESOLVED FURTHER THAT the Company do create an Escrow Account and Special Account with a scheduled commercial bank, to be finalized by the Buyback Committee, for a sum in accordance with Buyback Regulations in the said Escrow Account by way of a deposit in a timely manner in compliance with the requirements of the Buyback Regulations;

RESOLVED FURTHER THAT as required by Clause (x) of Part A of Schedule I under Regulation 5 of the Buyback Regulations, the Board confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

1. That immediately following the date of Board Meeting held on September 24, 2021 and the date on which the members' resolution is passed by way of Postal Ballot, there will be no grounds on which the Company can be found unable to pay its debts;
2. That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on September 24, 2021 as well as for the year immediately following the date of passing of the members' resolution by way of Postal Ballot and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting and also from the date of passing of the members' resolution;
3. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

RESOLVED FURTHER THAT the Board hereby confirms that:

1. All the Equity Shares for Buyback are fully paid-up;
2. That the Company shall not issue and allot any Equity Shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, from the date of members' resolution for and till the date of closure of this Buyback;
3. As per provisions of Regulation 24(1)(f) of Buyback Regulations, the Company shall not raise further capital for a period of one year from the closure of Buyback offer except in discharge of its subsisting obligations;
4. That the Company, as per provisions of Section 68(8) of the Companies Act 2013, shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buyback except by way of a bonus issue or in discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
5. the Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
6. that the Company shall not Buyback its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
7. that there are no defaults subsisting in the repayment of Deposits or interest payment thereon, redemption of debentures or interest payment thereon, or preference shares or payment of dividend due to any member or repayment of term loans or interest payable thereon to any financial institutions or banks.
8. that funds borrowed from Banks and Financial Institutions will not be used for the Buyback;
9. that the aggregate amount of the Buyback i.e. Rs. 158,71,79,300/- (Rupees One Hundred Fifty Eight Crore Seventy one Lakh Seventy Nine Thousand and Three Hundred Rupees Only) does not exceed 25% of the total paid-up equity capital and free reserves of the Company as on March 31, 2021.
10. that the maximum number of shares proposed to be purchased under the Buyback shall not exceed 25% of the total number of shares in the paid-up equity capital as per the audited standalone balance sheet as on March 31, 2021;
11. the Company shall not make any offer of Buyback within a period of one year reckoned from the date of closure of the Buyback;
12. there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date; and
13. that the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback as on March 31, 2021, on standalone as well as consolidated basis."

RESOLVED FURTHER THAT the draft Notice of Postal Ballot as placed before the Board be and is hereby approved and Buy Back Committee is hereby authorized to modify, finalize, approve and dispatch the final Notice of Postal Ballot, in accordance with the provisions of the applicable laws."

RESOLVED FURTHER THAT M/s Sanjay Grover and Associates who has given their consent to act as such be and is hereby appointed as Scrutinizer for conducting the Postal Ballot (remote e-voting) process in a fair and transparent manner and provide report thereon and be paid the remuneration and out of pocket expenses incurred by him as may be decided by the Managing Director of the Company."

RESOLVED FURTHER THAT *Kfin Technologies Pvt. Ltd., Registrar and Transfer Agent of the Company, be and is hereby appointed to act as Registrar to the Buyback Offer proposed by the Company, on such terms and conditions as to be agreed through agreement between the Company and Kfin Technologies Pvt. Ltd.”*

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

5.1. In accordance with Regulation 7(i) of the Buyback Regulations, the Company has made the Public Announcement dated Wednesday, November 17, 2021 for the Buyback of Equity Shares published on Thursday, November 18, 2021 in the following newspapers:

| Sr. No. | Name of News Paper | Language | Editions |
|---------|--------------------|----------|--------------|
| 1. | Business Standard | English | All Editions |
| 2. | Business Standard | Hindi | All Editions |

5.2. Pursuant to the Postal Ballot Notice, the Company sought, by way of a special resolution, the approval of its shareholders to the Buyback. The results of such postal ballot through remote e-voting were declared on Tuesday, November 16, 2021. Pursuant thereto, the Public Announcement in compliance with Regulation 7(i) of the Buyback Regulations was made by the Company within 2 (two) Working Days from the date of declaration of the results of such postal ballot.

5.3. The Company will publish further notices or corrigenda to or relating to the Public Announcement, if any, in the abovementioned newspapers.

5.4. A copy of the Public Announcement is available on the SEBI website at www.sebi.gov.in, the website of the Company at www.nucleussoftware.com, on the website of, Stock Exchanges at www.nseindia.com and www.bseindia.com and Manager to the Issue at www.corporateprofessionals.com.

6. DETAILS OF THE BUYBACK

6.1. At the Board Meeting held on Friday, September 24, 2021, the Board subject to the receipt of approval of the shareholders of the Company by way of a Special Resolution through a Postal Ballot by remote e-voting, pursuant to the provisions of Article 57 of the Articles and the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, the SCD Rules, to the extent applicable, and in compliance with the Buyback Regulations, as amended from time to time, and subject to such approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the Buyback by the Company of 22,67,400 (Twenty Two Lakh Sixty Seven Thousand and Four Hundred Only) Equity Shares representing up to 7.81% of the total paid-up Equity Share capital of the Company at a price of ₹700/- (Rupees Seven Hundred only) per Equity Share (**the “Maximum Buyback Price”**) payable in cash for an aggregate consideration of up to ₹ 1,58,71,80,000 (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only) (**“Maximum Offer Size”**), which is 24.90% and 24.01% of the aggregate of the fully paid-up Equity Share capital and free reserves as per the latest audited standalone and consolidated balance sheet of the Company, respectively, as at March 31, 2021 on a proportionate basis through the “Tender Offer” route as prescribed under the Buyback Regulations, from all of the Eligible Shareholders.

- 6.2. The Equity Shareholders of the Company approved the Buyback, by way of a special resolution, through postal ballot through remote e-voting pursuant to the Postal Ballot Notice, the results of which were announced on Tuesday, November 16, 2021.
- 6.3. The Buyback Size does not include any transaction costs viz. brokerage, applicable taxes such as buyback tax (“**Buyback Tax**”), STT, GST, stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors/legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, etc. Buyback Tax does not form part of the Buyback Size and will be appropriated out of the free reserves of the Company.
- 6.4. The Equity Shares of the Company are listed and traded on National Stock Exchange of India Limited (the “**NSE**”) and BSE Limited (the “**BSE**”) (hereinafter, collectively, referred to as the “**Stock Exchanges**”).
- 6.5. In addition to the regulations/statutes referred to in paragraph 6.1 above, the Buyback is also in accordance with the applicable provisions of Management Rules and the LODR Regulations. The Buyback shall be undertaken on a proportionate basis from the Eligible Shareholders through the tender offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be subject to applicable laws, be implemented by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by the SEBI Circulars. In this regard, the Company will request NSE to provide the acquisition window for facilitating tendering of Equity Shares under the Buyback. For the purposes of this Buyback, NSE will be the Designated Stock Exchange.
- 6.6. The total paid-up equity share capital of the Company is ₹ 29,04,07,240 (Rupees Twenty Nine Crore Four Lakh Seven Thousand Two Hundred and Forty Only) and the aggregate of paid up share capital and free reserves of the Company on the basis of audited standalone and consolidated balance sheet for financial year ended March 31, 2021 are ₹ 6,37,42,16,565 (Rupees Six Hundred Thirty Seven Crore Forty Two Lakh Sixteen Thousand Five hundred and Sixty Five Only) and ₹ 6,60,92,77,844 (Rupees Six Hundred Sixty Crore Ninety-Two Lakh Seventy-Seven Thousand Eight hundred and forty-Four Only), respectively. In accordance with the provisions of the Companies Act, 2013, the Buyback Size is ₹ 1,58,71,80,000 (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only) which represents 7.81% of the fully paid up equity share capital and 24.90% and 24.01% of the aggregate of fully paid-up share capital and free reserves as per audited standalone financial statements and audited consolidated balance sheet of the Company for the financial year ended March 31, 2021, respectively (the last audited financial statement available as on the date of Board Meeting approving the Buyback) and is within the statutory limit of 25% of the fully paid-up equity share capital and free reserves as per the last audited balance sheet of the Company. Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity share capital of the Company in that financial year. Since the Company proposes to Buy back up to 22,67,400 (Twenty Two Lakh Sixty Seven Thousand Four Hundred) equity shares representing 7.81% of the total paid up equity share capital of the Company, the same is within the aforesaid 25% limit.
- 6.7. The aggregate shareholding of the (i) Promoter and Promoter Group and persons in control, (ii) Directors of companies which are a part of the Promoter and Promoter Group, and (iii) Directors and Key Managerial Personnel of the Company as on the date of the Public Announcement, i.e., Wednesday, November 17, 2021, are as follows:

- i. Aggregate shareholding of the Promoter and Promoter Group and persons who are in control as on the date of the Public Announcement, i.e., Wednesday, November 17, 2021:

| S. No. | Name of Shareholders | No. of Shares held | Percentage (%) |
|--------|--------------------------------------|--------------------|----------------|
| 1 | Mr. Vishnu R Dusad | 16,03,492 | 5.52 |
| 2 | Ms. Madhu Dusad | 30,66,248 | 10.56 |
| 3 | Dr. Ritika Dusad | 10,00,000 | 3.44 |
| 4 | Ms. Kritika Dusad | 10,00,000 | 3.44 |
| 5 | Karmayogi Holdings Private Limited | 90,00,000 | 30.99 |
| 6 | Mr. Yogesh Andlay | 8,63,534 | 2.97 |
| 7 | Card Systems Private Limited | 12,000 | 0.04 |
| 8 | Nucleus Software Workshop Pvt. Ltd. | 6,00,000 | 2.07 |
| 9 | Nucleus Software Engineers Pvt. Ltd. | 23,85,882 | 8.22 |
| 10 | Mr. Naveen Kumar | 72,952 | 0.25 |
| 11 | Ms. Suman Mathur | 23,758 | 0.08 |
| | Total | 1,96,27,866 | 67.59 |

- ii. Aggregate shareholding of the Directors of companies which are a part of the Promoter and Promoter Group, as on the date of the Public Announcement, i.e., Wednesday, November 17, 2021:

| S. No. | Name of Shareholders | No. of Shares held | Percentage (%) |
|--------|----------------------|--------------------|----------------|
| 1 | Mr. Vishnu R Dusad | 16,03,492 | 5.52 |
| 2 | Ms. Madhu Dusad | 30,66,248 | 10.56 |
| 3 | Dr. Ritika Dusad | 10,00,000 | 3.44 |
| 4 | Ms. Kritika Dusad | 10,00,000 | 3.44 |
| 5 | Mr. Yogesh Andlay | 8,63,534 | 2.97 |
| 6 | Ms. Suman Mathur | 23,758 | 0.08 |

- iii. Aggregate shareholding of the Directors and Key Managerial Personnel of the Company as on the date of the Public Announcement, i.e., Wednesday, November 17, 2021:

| S. No. | Name | Designation | No. of Shares held | Percentage (%) |
|--------|-----------------------|--------------------------|--------------------|----------------|
| 1 | Mr. Ravi Pratap Singh | Executive Director | 151,977 | 0.52 |
| 2 | Mr. Parag Bhise | CEO & Executive Director | 28,959 | 0.10 |
| 3 | Ms. Poonam Bhasin | Company Secretary | 10 | 0.00 |

6.8. In terms of the Buyback Regulations, under the Tender Offer route, the Promoters and Promoter Group have the option to participate in the Buyback. In this regard, members of the Promoter and Promoter Group have expressed their intention vide their letters dated Thursday, September 23, 2021 and Friday, September 24, 2021 to participate in the Buyback and may tender up to an aggregate maximum number of 1,08,710 Equity Shares or such lower number of shares in accordance with the provisions of the Buyback Regulations/terms of the Buyback. The extent of their participation in the Buyback has been detailed in paragraph 9.2 of this Draft Letter of Offer.

6.9. The Promoter and Promoter Group hold 67.59% of the Equity Shares in the total outstanding equity share capital of the Company. For details with respect to the Promoter and Promoter Group shareholding post the Buyback, please refer to paragraph 13.7 of this Draft Letter of Offer.

6.10. Post Buyback the public shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the Listing Regulations, as amended, and the provisions contained under Rule 19 (2) (b) and Rule 19A of the Securities Contract (Regulation) Rules, 1957 read with SEBI circular dated February 22, 2018.

7. AUTHORITY FOR THE BUYBACK

7.1. The Buyback is in accordance with Article 57 of the Articles, Sections 68, 69 and 70 and all other applicable provisions of the Companies Act, the SCD Rules, the Management Rules, LODR Regulations and the Buyback Regulations. The Buyback is subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board.

7.2. The Buyback has been duly authorised by a resolution of the Board of Directors dated Friday, September 24, 2021. The Equity Shareholders have approved the Buyback by a special resolution passed by postal ballot through remote e-voting in accordance with the provisions of Section 110 of the Companies Act and Rule 22 of the Management Rules, the results of which were declared on Tuesday, November 16, 2021.

8. NECESSITY OF THE BUYBACK

The current Buyback is a capital allocation decision taken with the objective of seeking a fairer valuation of the Company's stock while improving the Company's Return on Equity and increasing shareholder value in the longer term. In addition to distribution of surplus cash to the members holding equity shares broadly in proportion to their shareholding, it will enhance the overall return to shareholders and help in achieving optimal capital structure.

9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF THE BUYBACK ON THE COMPANY

9.1. The Buyback is not likely to cause any material impact on the profitability/earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buyback is to the extent of 100% (full Acceptance) from all the Eligible Shareholders up to their Buyback entitlement, the funds deployed by the Company towards the Buyback excluding costs, applicable taxes and expenses of the Buyback, would be ₹ 1,58,71,80,000/- (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only).

9.2. In terms of the Buyback Regulations, under the Tender Offer route, the Promoters and Promoter Group have the option to participate in the Buyback. In this regard, the Promoter and Promoter Group have expressed their intention vide their letters dated Thursday, September 23, 2021 and Friday, September 24, 2021, to participate in the Buyback and may tender up to an aggregate maximum number of 1,08,710 Equity Shares or such lower number of shares in accordance with the provisions of the Buyback Regulations/terms of the Buyback.

Please see below the maximum number of Equity Shares proposed to be tendered by each member of the Promoter and Promoter Group in the Buyback:

| S. N. | Name | Maximum Number of Equity Shares Intended to tender |
|--------------|------------------------|--|
| 1 | Card Systems Pvt. Ltd. | 12,000 |
| 2 | Mr. Naveen Kumar | 72,952 |
| 3 | Ms. Suman Mathur | 23,758 |
| Total | | 1,08,710 |

9.3. Details of the date and price of acquisition of the Equity Shares that the Promoter and Promoter Group intend to tender are set-out below:

i. Card Systems Private Limited*:

| Date of Transaction | Nature of Transaction | No. of Equity Shares | Face Value (₹) | Issue/Acquisition Price (₹) | Consideration (Cash, other than cash etc.) |
|---------------------|-----------------------|----------------------|----------------|-----------------------------|--|
| 01-04-2011 | Opening Balance | 12,000 | - | - | - |
| Total | | 12,000 | | | |

ii. Naveen Kumar*:

| Date of Transaction | Nature of Transaction | No. of Equity Shares | Face Value (₹) | Issue/Acquisition Price (₹) | Consideration (Cash, other than cash etc.) |
|---------------------|-----------------------|----------------------|----------------|-----------------------------|--|
| 01-04-2011 | Opening Balance | 72,952 | - | - | - |
| Total | | 72,952 | | | |

iii. Suman Mathur*:

| Date of Transaction | Nature of Transaction | No. of Equity Shares | Face Value (₹) | Issue/Acquisition Price (₹) | Consideration (Cash, other than cash etc.) |
|---------------------|-----------------------|----------------------|----------------|-----------------------------|--|
| 01-04-2011 | Opening Balance | 27,758 | - | - | - |
| 06-12-2017 | Sale | (1,500) | 10 | 531.14 | 7,96,709 |
| 07-12-2017 | Sale | (2,500) | 10 | 538.87 | 13,47,170 |
| Total | | 23,758 | | | |

**Note: Since specific details of acquisition/sale of equity shares prior to April 1, 2011 are not available, aggregate shareholding as on April 1, 2011 is provided.*

9.4. Assuming that the response to the Buyback is to the extent of 100% (full Acceptance) from all the Eligible Shareholders up to their Buyback Entitlement, the aggregate shareholding of the Promoter and Promoter Group post completion of the Buyback may change from 67.59% to [●]%. Also, if none of the public shareholders participate and only the Promoter and Promoter Group participate to the extent of the Buyback Entitlement, their shareholding may change from 67.59% to [●]% of the total equity share capital of the Company.

- 9.5. Assuming that the response to the Buyback is to the extent of 100% (full Acceptance) from all the Eligible Shareholders up to their Buyback Entitlement, the aggregate shareholding of the public and others post Buyback may decrease from 32.41% to [●]%.
- 9.6. The Buyback shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.7. Consequent to the Buyback and based on the number of Equity Shares bought back from Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding of each such person shall undergo a change.
- 9.8. The debt-equity ratio following the Buyback, both on standalone and consolidated basis, will be compliant with the permissible limit of equal to 2:1 or less prescribed by the Companies Act even if the response to the Buyback is to the extent of 100% (full Acceptance) from all the Eligible Shareholders up to their Buyback Entitlement.
- 9.9. The Buyback is not expected to impact growth opportunities for the Company.
- 9.10. The Promoter and Promoter Group or their associates shall not deal in the Equity Shares of the Company on the Stock Exchange or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoter and Promoter Group, during the period from the date of passing the special resolution by the shareholders of the Company till the closing of the Offer.
- 9.11. In compliance with the provisions of Section 68 of the Companies Act, 2013 and Regulation 24(f) of the Buyback Regulations, except in discharge of its subsisting obligations, the Company shall not raise further capital for a period of one year from the expiry of the Buyback period, or any circulars or notifications issued by SEBI in connection therewith.
- 9.12. The Company shall not issue any Equity Shares or other specified securities, including by way of bonus, from the date of declaration of results of the postal ballot through remote e-voting for special resolution passed by the shareholders approving the Buyback until the date of expiry of the Buyback Period.
- 9.13. The Company is not undertaking the Buyback so as to delist its shares from the Stock Exchanges.
- 9.14. Salient financial parameters consequent to the Buyback based on the standalone audited financial statements as on March 31, 2021 are as under:

| Parameters | As at and for the financial year ended March 31, 2021 | | | |
|---|---|-----------------------------|--------------|-----------------------------|
| | Standalone | | Consolidated | |
| | Pre-Buyback | Post-Buyback ⁽⁹⁾ | Pre-Buyback | Post-Buyback ⁽⁹⁾ |
| Net Worth (₹ in lakhs) ⁽¹⁾ | 64,694 | 48,821 | 67,202 | 51,330 |
| Return on Net Worth (%) ⁽²⁾ | 17.32% | 22.95% | 17.55% | 22.98% |
| Earnings Per Share - Basic (in ₹) ⁽³⁾⁽⁴⁾ | 38.58 | 41.85 | 40.62 | 44.05 |
| Earnings Per Share - Diluted (in ₹) ⁽³⁾⁽⁴⁾ | 38.58 | 41.85 | 40.62 | 44.05 |
| Book Value per Equity Share (in ₹) ⁽⁵⁾ | 222.77 | 182.35 | 231.41 | 191.72 |
| P/E as per latest audited financial | 13.71 | 12.64 | 13.02 | 12.01 |

| | | | | |
|---|---|---|---|---|
| results ⁽⁶⁾⁽⁷⁾ | | | | |
| Total Debt/Equity Ratio (in times) ⁽⁸⁾ | - | - | - | - |

1. *Net Worth is excluding revaluation reserves and miscellaneous expenditure to the extent not written off. The post Buyback Net Worth is only adjusted for the Buyback Size of ₹15,872 Lakhs.*
2. *Return on Net Worth = Profit After Tax attributable to equity holders of the Company / Net Worth (excluding revaluation reserves).*
3. *Earnings per Share = Profit After Tax attributable to equity holders of the Company / Weighted Average Number of shares outstanding for the period.*
4. *Earnings per Share post buyback is computed after reducing proposed buyback shares from weighted average number of shares outstanding for the period.*
5. *Book value per Share = Net Worth (excluding Revaluation Reserves)/Number of shares at the end of the period.*
6. *P/E as per latest audited financial results = Market Value per share / Earnings per share*
7. *Market value has been taken as ₹528.90(price on NSE as on Tuesday, September 21, 2021 for both pre and post-buyback) for P/E ratio being the date of intimation of the Board Meeting for considering the Buyback.*
8. *Total Debt/ Equity Ratio = Total Debt / Net Worth (excluding revaluation reserves)
“Total Debt” includes non-current borrowings (including current maturities)*
9. *The post-Buyback numbers are calculated by reducing the net worth by the proposed Buyback amount (assuming full acceptance), without factoring in any impact in the statement of profit & loss due to reduction in cash.*

10. BASIS OF CALCULATING THE BUYBACK PRICE

10.1. The Equity Shares of the Company are proposed to be bought back at a price of ₹ 700/- (Rupees Seven Hundred Only) per Equity Share (the “Maximum Buyback Price”), which has been arrived at after considering various factors, including but not limited to the trends in the volume weighted average prices and closing price of the Equity Shares on the National Stock Exchange of India Limited (“NSE”), the stock exchange where the maximum volume of trading in the Equity Shares is recorded and impact on other financial parameters and the possible impact of Buyback on the earnings per share.

10.1.1. The closing market price of the Equity Shares as on the date of intimation of the Board meeting for considering the Buyback to the Stock Exchanges i.e., Tuesday, September 21, 2021, was ₹528.90 on NSE. The Maximum Buyback Price represents a premium of 32.35% over the said closing market price.

10.1.2. The Maximum Buyback Price represents a premium of 29.66% over the Volume Weighted Average Price of the Equity Shares on the NSE for 2 weeks preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback.

10.1.3. The Maximum Buyback Price represents a premium of 15.64% over the Volume Weighted Average Price of the Equity Shares on the NSE for 2 months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback.

- 10.2. For Financial ratios and trends in the market price of the Equity Shares please refer to clause 15 & 16 of this Draft Letter of Offer respectively.

11. SOURCES OF FUNDS FOR THE BUYBACK

- 11.1. Assuming that the response to the Buyback is to the extent of 100% (full Acceptance), the funds that would be utilized by the Company for the purpose of the Buyback would be ₹1,58,71,80,000 (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only).
- 11.2. The Buyback would be financed out of free reserves and/ or such other sources as may be permitted by law through “Tender Offer” route and as required by the Buyback regulations and the Companies Act, and on such terms and conditions as the Board may deem fit.
- 11.3. The Company confirms that the funds for the Buyback will be made available out of its internal accruals and not out of funds borrowed, if any, from banks and financial institutions.
- 11.4. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- 12.1. In accordance with Regulation 9(xi) of the Buyback Regulations, the Company has appointed HDFC Bank Limited, as the escrow agent for the Buyback. The Company, the Manager to the Buyback and the Escrow Agent have entered into an Escrow Agreement dated Tuesday, November 23, 2021, pursuant to which the Escrow Account in the name and style “**NSEL Buyback Escrow Account-2021**” bearing account number “**5750000820925**” opened with the Escrow Agent. The Manager is empowered to operate the Escrow Account in accordance with the Buyback Regulations. The Company proposes to satisfy its obligations under Regulations 9(xi)(a) and (b) of the Buyback Regulations by either (a) depositing cash; (b) having a bank guarantee issued in favour of the Manager to the Buyback; (c) depositing acceptable securities, with appropriate margin, in favour of the Manager to the Buyback; or (d) a combination of (a), (b) or (c), on or before the Buyback Offer Opening Date.
- 12.2. In accordance with Regulation 10 of the Buyback Regulations, the Company shall immediately after the closure of the Tendering Period deposit the amount of consideration payable to Eligible Shareholders in a special account opened with the Escrow Agent. Such consideration would be the aggregate of 90% of the amount lying in the Escrow Account and the balance amount payable to the Eligible Shareholders, and will constitute the entire sum due and payable as consideration for the Buyback in terms of the Buyback Regulations.
- 12.3. The Company has adequate and firm financial resources to fulfil the obligations under the Buyback and the same has been certified by M/s. SPMG & Company, Chartered Accountants, having its office at 3322A, II Floor, Bank Street, Karol Bagh, New Delhi-110005; Membership No.: 090687; Firm Registration No.: 0509249C), vide a certificate dated Thursday, November 25, 2021.

- 12.4. Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1. The present capital structure of the Company is as follows:

(₹ In Lakhs)

| Sr. No | Particulars | Pre-Buyback |
|--------|---|----------------|
| 1 | Authorized Share Capital: | |
| | 4,11,00,000 Equity Shares of ₹10 each | 4110.00 |
| | 40,00,000 Preference Shares of ₹10 each | 400.00 |
| | Total | 4510.00 |
| 2 | Issued, Subscribed and Paid-up Capital: | |
| | 2,90,40,724 Equity Shares of ₹10/- each, fully paid | 2904.07 |
| | Total | 2904.07 |

- 13.2. Assuming full Acceptance in the Buyback, the capital structure of the Company post Buyback would be as follows:

(₹ In Lakhs)

| Sr. No | Particulars | Post-Buyback |
|--------|---|----------------|
| 1 | Authorized Share Capital: | |
| | 4,11,00,000 Equity Shares of ₹10 each | 4110.00 |
| | 40,00,000 Preference Shares of ₹10 each | 400.00 |
| | Total | 4510.00 |
| 2 | Issued, Subscribed and Paid-up Capital: | |
| | 2,67,73,324 Equity Shares of ₹10/- each, fully paid | 2677.33 |
| | Total | 2677.33 |

- 13.3. Details of buyback programmes undertaken by the Company in the last three years:

The Company has not undertaken any buyback in last three years.

- 13.4. There are no partly paid-up equity shares.
- 13.5. There are no outstanding instruments convertible into Equity Shares as on date of this letter of offer.
- 13.6. There are no amounts under calls in arrears.
- 13.7. The pre-Buyback and post-Buyback shareholding pattern of the Company is as follows:

| Category of Shareholder | Pre-Buyback | | Post Buyback ^(Note) | |
|--|---------------|-------------------------------|--------------------------------|-------------------------------|
| | No. of Shares | % to the Equity Share capital | No. of Shares | % to the Equity Share capital |
| Promoter and Promoter Group | 1,96,27,866 | 67.59 | [•] | [•] |
| Foreign Investors (Including ADRs, Non-Resident Indians, FIIs, FPIs, | 15,12,176 | 5.21 | [•] | [•] |

| | | | | |
|---|--------------------|---------------|------------|------------|
| Foreign Nationals, and Overseas Corporate Bodies) | | | | |
| Financial Institutions/Banks, NBFCs & Mutual Funds | 525 | 0.00 | [●] | [●] |
| Others (Public, Bodies Corporate, Clearing Members, Trusts and HUF) | 79,00,157 | 27.20 | [●] | [●] |
| Total | 2,90,40,724 | 100.00 | [●] | [●] |

Note: Assuming response to the Buyback is to the extent of 100% (full Acceptance) from all the Equity Shareholders of the Equity Shares up to their Buyback Entitlement.

- 13.8.** There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as of the date of this Draft Letter of Offer.
- 13.9.** Assuming that the response to the Buyback is to the extent of 100% (full Acceptance) from all the Eligible Shareholders up to their Buyback Entitlement, the aggregate shareholding of the Promoter and Promoter Group post the Buyback may change from 67.59% prior to the Buyback to [●]%.
- 13.10.** Aggregate shares purchased or sold by the Promoter and Promoter Group, persons in control, Directors of company which are a part of the Promoter and Promoter Group and Directors and Key Managerial Personnel of the Company during a period of twelve months preceding the date of Public Announcement, i.e., Wednesday, November 17, 2021:
- i. Aggregate of shares purchased or sold by the Promoter and Promoter Group and persons who are in control: None
 - ii. Aggregate shares purchased or sold by the Directors of company which are part of the Promoter and Promoter Group: None
 - iii. Aggregate shares purchased or sold by the Directors and Key Managerial Personnel of the Company: None

14. BRIEF INFORMATION OF THE COMPANY

14.1. History of the Company

Nucleus Software Exports Limited, with Corporate Identity Number L74899DL1989PLC034594, was incorporated on January 09, 1989, with a certificate of incorporation granted by the Registrar of Companies, Delhi. The Company is listed on NSE (Symbol: NUCLEUS) and BSE (Scrip Code: 531209). The Company is having its registered office at 33-35, Thyagraj Nagar Market, New Delhi, Delhi, 110003 and the Corporate office of the Company is situated at A-39, Sector-62, Noida – 201307, Uttar Pradesh. The ISIN number of the Company is INE096B01018.

The Company is known for its world-class expertise and innovation in lending and transaction banking technology. It has inter-alia, two flagship products, built on the latest technology:

- FinnOne™, 10 time winner - World's Best Selling Lending Solution.

- FinnAxia™, an integrated global transaction banking solution used by banks worldwide to offer efficient and Innovative global payments and receivables, liquidity management and business, internet banking services.
- PaySe™ is the first product in India that has successfully completed the RBI Sandbox testing on retail payments. The objective of this Sandbox is to foster responsible innovation in financial services to benefit customers at the bottom of pyramid.

Nucleus operates through integrated and well-networked subsidiaries in India, Japan, Netherlands, Singapore, USA, Australia and South Africa. Since 1995, product development has been forte and the Company has chosen to exclusively develop products and further add value through dedicated Research and Development initiatives.

14.2. Growth of Business

On standalone basis, for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Company recorded total income ₹ 49,099 Lakh, ₹ 49,520 Lakh and ₹ 43,705 Lakh respectively, and profit after tax of ₹ 11,204 Lakh, ₹ 9,604 Lakh and ₹ 7,563 Lakh respectively.

14.3. The details of changes in the share capital of the Company since incorporation are as follows:

| Date | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Nature of consideration | Cumulative Number of Equity Shares | Cumulative Paid-up share capital (₹) |
|--------------------|-------------------------|----------------|-----------------|-------------------------|------------------------------------|--------------------------------------|
| January 9, 1989 | 30 | 10/- | 10/- | Cash | 30 | 300 |
| May 5, 1989 | 6,000 | 10/- | 10/- | Cash | 6,030 | 60,300 |
| December 9, 1993 | 8,040 | 10/- | 10/- | Cash | 14,070 | 1,40,700 |
| July 20, 1994 | 530 | 10/- | 10/- | Cash | 14,600 | 1,46,000 |
| September 24, 1994 | 8,76,000 | 10/- | - | Bonus | 8,90,600 | 89,06,000 |
| October 3, 1994 | 1,20,400 | 10/- | 10/- | Cash | 10,11,000 | 1,01,10,000 |
| December 27, 1994 | 5,76,270 | 10/- | - | Bonus | 15,87,270 | 1,58,72,700 |
| December 28, 1994 | 1,12,730 | 10/- | 10/- | Cash | 17,00,000 | 1,70,00,000 |
| October 10, 1995 | 17,01,400 | 10/- | 10/- | IPO | 34,01,400 | 3,40,14,000 |
| April 24, 2001 | 2,800* | 10/- | 10/- | - | 33,98,600 | 3,39,86,000 |
| June 22, 2001 | 18,75,500 | 10/- | 10/- | Cash | 52,74,100 | 5,27,41,000 |
| October 22, 2001 | 26,37,050 | 10/- | - | Bonus | 79,11,150 | 7,91,11,500 |
| July 26, 2003 | 28,800 | 10/- | 24/- | ESOP | 79,39,950 | 7,93,99,500 |
| January 17, 2004 | 91,456 | 10/- | 24/- | ESOP | 80,31,406 | 8,03,14,060 |
| July 22, 2004 | 14,000 | 10/- | 24/- | ESOP | 80,45,406 | 8,04,54,060 |
| August 10, 2004 | 80,45,406 | 10/- | - | Bonus | 1,60,90,812 | 16,09,08,120 |
| July 8 2005 | 2,000 | 10/- | 170/- | ESOP | 1,60,92,812 | 16,09,28,120 |
| October 17, 2005 | 12,000 | 10/- | 170/- | ESOP | 1,61,04,812 | 16,10,48,120 |
| July 8, 2006 | 11,500 | 10/- | 170/- | ESOP | 1,61,16,312 | 16,11,63,120 |
| March 30, 2007 | 4,000 | 10/- | 170/- | ESOP | 1,61,20,312 | 16,12,03,120 |
| March 30, 2007 | 40,000 | 10/- | 135.23/- | ESOP | 1,61,60,312 | 16,16,03,120 |
| July 31, 2007 | 5,700 | 10/- | 24/- | ESOP | 1,61,66,012 | 16,16,60,120 |
| July 31, 2007 | 16,000 | 10/- | 307/- | ESOP | 1,61,82,012 | 16,18,20,120 |
| July 31, 2007 | 300 | 10/- | 250/- | ESOP | 1,61,82,312 | 16,18,23,120 |
| August 8, 2007 | 1,61,82,312 | 10/- | - | Bonus | 3,23,64,624 | 32,36,46,240 |
| October 28, 2007 | 1,200 | 10/- | 250/- | ESOP | 3,23,65,824 | 32,36,58,240 |

| | | | | | | |
|--------------------|-------------|------|-------|---------|-------------|--------------|
| October 28, 2007 | 1,200 | 10/- | - | Bonus | 3,23,67,024 | 32,36,70,240 |
| July 20 2008 | 1,500 | 10/ | 250/- | ESOP | 3,23,68,524 | 32,36,85,240 |
| July 20 2008 | 1,500 | 10/ | - | Bonus | 3,23,70,024 | 32,37,00,240 |
| April 24, 2010 | 6,250 | 10/- | 146/- | ESOP | 3,23,76,274 | 32,37,62,740 |
| April 24, 2010 | 6,250 | 10/- | - | Bonus | 3,23,82,524 | 32,38,25,240 |
| October 21, 2012 | 930 | 10/- | 144/- | ESOP | 3,23,83,454 | 32,38,34,540 |
| October 21, 2012 | 180 | 10/- | 144/- | ESOP | 3,23,83,634 | 32,38,36,340 |
| November 11, 2013 | 90 | 10/- | 144/- | ESOP | 3,23,83,724 | 32,38,37,240 |
| September 14, 2017 | (33,43,000) | 10/- | 350/- | Buyback | 2,90,40,724 | 29,04,07,240 |

**Forfeited*

14.4. The details of the Board of Directors as on date of Public Announcement, i.e., Wednesday, November 17, 2021, are as follows:

| Name, Age, Qualification, Occupation of the Director | Designation | Date of Appointment /Reappointment | Directorships in Other Companies and Bodies Corporate |
|--|---------------------------------------|---|--|
| Mr. Vishnu Rampratap Dusad Age: 64 Years Qualification: B. Tech, Masters in Systems and Technologies Occupation: Business | Managing Director (Promoter Group) | 09.01.1989 | <ul style="list-style-type: none"> • Nucleus Software Limited • Karmayogi Holdings Private Limited • Indian Software Product Industry Round Table Foundation • India Post Payments Bank Limited |
| Mr. Ravi Pratap Singh Age: 58 Years Qualification: MCA, GMP from Harvard Business School Occupation: Business | Executive Director | 26.07.2014 | <ul style="list-style-type: none"> • Nucleus Software Limited |
| Mr. Prithvi Haldea Age: 70 Years Qualification: MBA Occupation: Business | Non-Executive & Independent Director | 22.06.2001 | <ul style="list-style-type: none"> • Venture Media Private Limited • Praxis Consulting and Information Services Private Limited. • Prime Investors Protection Association & League • Primedatabase.Com Private Limited • Nucleus Software Limited |
| Prof. Trilochan Sastry Age: 61 Years Qualification: B. Tech, MBA and PHD Occupation: Business | Non-Executive & Independent Director | 27.04.2013 | <ul style="list-style-type: none"> • Nucleus Software Limited • Indiafarm Foods Private Limited |

| | | | |
|--|-------------------------------------|------------|------------------------------------|
| Ms. Elaine Mathias Age: 67 Years Qualification: CA & CMA Occupation: Business | Non-Executive Independent Director | 20.09.2014 | - |
| Mr. S.M. Acharya Age: 72 Years Qualification: Masters in Economics Occupation: Business | Non-Executive Independent Director | 19.03.2016 | - |
| Dr. Ritika Dusad Age: 31 Years Qualification: P. HD in Physics Occupation: Business | Executive Director (Promoter Group) | 20.07.2016 | Karmayogi Holdings Private Limited |
| Mr. Parag Bhise Age: 55 Years Qualification: Master in Computer Application and MBA Occupation: Business | Executive Director & CEO | 16.03.2020 | - |
| Mr. Anurag Mantri Age: 51 Years Qualification: Master in Statistics and Computer Science Occupation: Business | Executive Director & CFO | 19.12.2020 | - |
| Ms. Yasmin Javeri Krishan Age: 61 Years Qualification: CA and MBA Occupation: Business | Non-Executive Independent Director | 30.07.2020 | - |

14.5. The details of changes in the Board of Directors during the three years preceding the date of the Public Announcement, i.e., Wednesday, November 17, 2021 are as follows:

| Name of the Director | Appointment/ Resignation | Effective Date | Reasons |
|---------------------------|--------------------------|----------------|------------|
| Mr. Narayanan Subramaniam | Resignation | 31.03.2019 | Retirement |
| Mr. Parag Bhise | Appointment | 16.03.2020 | - |
| Mr. Anurag Mantri | Appointment | 19.12.2020 | - |
| Ms. Yasmin Javeri Krishan | Appointment | 30.07.2020 | - |

14.6. The Buyback will not result in any benefit to the Promoter and Promoter Group or any Directors and Key Managerial Personnel of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as Equity Shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares, which will lead to reduction in the equity share capital of the Company post the Buyback.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

- 15.1. The salient financial information of the Company as extracted from the standalone audited results for last three years being March 31, 2021, March 31, 2020 and March 31, 2019 and audited standalone financial results for the quarter and half year ended September 30, 2021 prepared as per IND-AS, are as under:

(₹ in lakhs unless stated otherwise)

| Particulars | Audited results for quarter and half year ended September 30, 2021 | Year Ended on March 31 | | |
|---|---|------------------------|-------------------|-------------------|
| | | 2021 (Audited) | 2020 (Audited) | 2019 (Audited) |
| Total Income | 21,796 | 49,099 | 50,795 | 43,705 |
| Total Expenses (Excluding Interest and Depreciation) | 19,286 | 33,227 | 36,692 | 33,622 |
| Interest (Finance Cost) | 23 | 77 | 75 | 30 |
| Depreciation | 527 | 1,143 | 1,123 | 701 |
| Profit before tax | 1,960 | 14,652 | 12,905 | 9,352 |
| Provision for tax (including Deferred Tax) | 504 | 3,448 | 2,683 | 1,789 |
| Profit/ (Loss) after tax | 1,456 | 11,204 | 10,222 | 7,563 |
| Equity Share Capital | 2,904 | 2,904 | 2,904 | 2,904 |
| Reserves & Surplus* | 61,038 | 61,790 | 51,282 | 44,109 |
| Net-worth* | 63,942 | 64,694 | 54,186 | 47,013 |
| Debt (excluding working capital loans and including current maturities of long-term debt) | - | - | - | - |
| Total Debt (including working capital loans and current maturities of long-term debt) | - | - | - | - |

*Excluding Revaluation reserves and miscellaneous expenditure to the extent not written-off.

- 15.2. The financial information of the Company as extracted from the consolidated audited results for last three years being March 31, 2021, March 31, 2020 and March 31, 2019 and Un-audited limited reviewed consolidated financial results for the quarter and half year ended September 30, 2021 are as under:

(₹ in lakhs unless stated otherwise)

| Particulars | Un-Audited (limited review) IND-AS For quarter and half year ended September 30, 2021 | Year Ended on March 31 | | |
|---|---|------------------------|-------------------|-------------------|
| | | 2021 (Audited) | 2020 (Audited) | 2019 (Audited) |
| Total Income | 24,288 | 55,309 | 55,806 | 51,151 |
| Total Expenses (Excluding Interest and Depreciation) | 21,599 | 38,419 | 42,661 | 40,478 |
| Interest | 47 | 122 | 112 | 51 |
| Depreciation | 636 | 1,387 | 1,355 | 993 |
| Profit before tax | 2,006 | 15,381 | 11,678 | 9,629 |

| | | | | |
|---|--------|--------|--------|--------|
| Provision for tax (including Deferred Tax) | 548 | 3,586 | 2,779 | 2,175 |
| Profit/ (Loss) after tax | 1,458 | 11,795 | 8,899 | 7,454 |
| Equity Share Capital | 2,904 | 2,904 | 2,904 | 2,904 |
| Reserves & Surplus* | 63,551 | 64,298 | 53,184 | 47,951 |
| Net-worth* | 66,455 | 67,202 | 56,088 | 50,855 |
| Debt (excluding working capital loans and including current maturities of long-term debt) | - | - | - | - |
| Total Debt (including working capital loans and current maturities of long-term debt) | - | - | - | - |

*Excluding Revaluation reserves and miscellaneous expenditure to the extent not written-off.

15.3. Key Financial Ratios:

| Particulars | For quarter and half year ended September 30, 2021 ⁽⁶⁾ | Year Ended on March 31 | | |
|---|---|------------------------|--------|--------|
| | | 2021 | 2020 | 2019 |
| STANDALONE | | | | |
| Earnings per Share-Basic (₹) ⁽¹⁾ | 5.01 | 38.58 | 35.20 | 26.04 |
| Earnings per Share-Diluted (₹) | 5.01 | 38.58 | 35.20 | 26.04 |
| Book Value Per Share (₹) ⁽²⁾ | 220.19 | 222.77 | 186.59 | 161.89 |
| Return on Net worth (%) ⁽³⁾ | 2.27 | 17.31 | 18.86 | 16.09 |
| Debt-Equity Ratio (in times) ⁽⁴⁾ | 0 | 0 | 0 | 0 |
| Total Debt/ Net-worth ⁽⁵⁾ | 0 | 0 | 0 | 0 |
| CONSOLIDATED | | | | |
| Earnings per Share-Basic (₹) ⁽¹⁾ | 5.02 | 40.62 | 30.64 | 25.67 |
| Earnings per Share-Diluted (₹) | 5.02 | 40.62 | 30.64 | 25.67 |
| Book Value Per Share (₹) ⁽²⁾ | 228.84 | 231.41 | 193.14 | 175.12 |
| Return on Net worth (%) ⁽³⁾ | 2.19 | 17.55 | 15.87 | 14.66 |
| Debt-Equity Ratio (in times) ⁽⁴⁾ | 0 | 0 | 0 | 0 |
| Total Debt/ Net-worth ⁽⁵⁾ | 0 | 0 | 0 | 0 |

Below are the formulae used for computation of the above ratios:

- (1) *Earnings per Share = Profit After Tax attributable to equity holders of the company / Weighted Average Number of Shares outstanding for the period*
- (2) *Book value per Share = Net Worth (excluding Revaluation Reserves)/ Number of Shares at the end of the period*
- (3) *Return on Net Worth = Annualized Profit After Tax attributable to equity holders of the company / Net Worth (excluding revaluation reserves).*
- (4) *Debt-Equity Ratio = Total Debt/ Net Worth (excluding revaluation reserves)*
- (5) *Total Debt/ Net Worth = Total Debt/ Net Worth (excluding revaluation reserves)*
- (6) *Financial figures for period ended on September 30, 2021 is audited for Standalone and Un-Audited Limited Reviewed for Consolidated.*

15.4. The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable.

15.5. The Company hereby declares that it has complied with Sections 68, 69 and 70 of the Companies Act and the applicable SCD Rules.

16. STOCK MARKET DATA

16.1. The Equity Shares are listed and traded on the National Stock Exchange of India Limited (the “NSE”) and BSE Limited (the “BSE”) (hereinafter, collectively, referred to as the “Stock Exchanges”).

16.2. The high, low and average market prices in preceding three years and the monthly high, low and average market prices for the six months preceding the date of the Public Announcement, i.e., Wednesday, November 17, 2021 and the corresponding volumes on the NSE (the stock exchange where the Company’s shares are most frequently traded) are as follows:

| Period | High Price (Rs) | Date | Number of shares traded on that date | Low Price (Rs) | Date | Number of shares traded on that date | Average Price (Rs) | Total Volume Traded in the period (No. of Shares) |
|---------------------------|-----------------|-----------|--------------------------------------|----------------|-----------|--------------------------------------|--------------------|---|
| PRECEDING 3 YEARS | | | | | | | | |
| Apr 20-Mar 21 | 755.00 | 07-Oct-20 | 3,79,859 | 175.15 | 03-Apr-20 | 9,344 | 470.19 | 3,82,65,902 |
| Apr 19-Mar 20 | 399.00 | 26-Apr-19 | 28,141 | 156.35 | 25-Mar-20 | 9,132 | 311.70 | 33,56,478 |
| Apr 18-Mar 19 | 506.00 | 30-Apr-18 | 57,772 | 315.40 | 21-Feb-19 | 80,326 | 401.27 | 82,15,577 |
| PRECEDING 6 MONTHS | | | | | | | | |
| October-21 | 611.75 | 19-Oct-21 | 1,99,253 | 574.40 | 13-Oct-21 | 94,014 | 587.17 | 15,22,982 |
| September-21 | 623.35 | 24-Sep-21 | 7,49,838 | 514.15 | 21-Sep-21 | 92,200 | 587.67 | 42,30,076 |
| August-21 | 699.00 | 09-Aug-21 | 1,53,120 | 513.65 | 23-Aug-21 | 75,111 | 599.21 | 30,00,210 |
| July-21 | 766.00 | 02-Jul-21 | 14,47,082 | 639.00 | 01-Jul-21 | 16,63,881 | 707.67 | 63,31,423 |
| June-21 | 660.00 | 11-Jun-21 | 3,97,329 | 552.95 | 10-Jun-21 | 96,272 | 600.77 | 35,87,362 |
| May-21 | 633.65 | 27-May-21 | 2,09,239 | 517.50 | 05-May-21 | 33,555 | 589.31 | 27,33,990 |

Source: www.nseindia.com

Note: High and Low price for the period is based on intra-day prices and Average Price is based on total turnover and total number of shares traded in the relevant period.

16.3. The high, low and average market prices in preceding three years and the monthly high, low and average market prices for the six months preceding the date of the Public Announcement, i.e., Wednesday, November 17, 2021 and the corresponding volumes on the BSE are as follows:

| Period | High Price (Rs) | Date | Number of shares traded on that date | Low Price (Rs) | Date | Number of shares traded on that date | Average Price (Rs) | Total Volume Traded in the period (No. of Shares) |
|---------------------------|-----------------|-----------|--------------------------------------|----------------|-----------|--------------------------------------|--------------------|---|
| PRECEDING 3 YEARS | | | | | | | | |
| Apr 20-Mar 21 | 754.40 | 07-Oct-20 | 36,708 | 172.90 | 01-Apr-20 | 514 | 506.64 | 38,51,743 |
| Apr 19-Mar 20 | 397.80 | 26-Apr-19 | 2,331 | 170.00 | 25-Mar-20 | 611 | 317.58 | 3,00,611 |
| Apr 18-Mar 19 | 510.00 | 04-May-18 | 9,724 | 316.10 | 21-Feb-19 | 557 | 403.86 | 10,64,858 |
| PRECEDING 6 MONTHS | | | | | | | | |
| October-21 | 611.35 | 19-Oct-21 | 19,142.00 | 574.05 | 13-Oct-21 | 9,036 | 586.15 | 1,78,209 |
| September-21 | 623.00 | 24-Sep-21 | 41,664 | 514.20 | 21-Sep-21 | 10,945 | 583.20 | 3,72,085 |
| August-21 | 698.05 | 09-Aug-21 | 8,399 | 514.05 | 23-Aug-21 | 5,219 | 594.63 | 2,31,022 |
| July-21 | 765.35 | 02-Jul-21 | 1,18,109 | 638.55 | 01-Jul-21 | 1,27,054 | 707.59 | 4,38,354 |
| June-21 | 656.75 | 30-Jun-21 | 82,201 | 553.50 | 10-Jun-21 | 10,057 | 604.87 | 2,98,048 |
| May-21 | 633.85 | 27-May-21 | 22,861 | 506.95 | 06-May-21 | 22,779 | 586.12 | 2,26,062 |

Source: www.bseindia.com

Note: High and Low price for the period is based on intra-day prices and Average Price is based on total turnover and total number of shares traded in the relevant period.

- 16.4.** Notice of the Board Meeting convened to consider the proposal of the Buyback was given to the NSE and BSE on Tuesday, September 21, 2021. The proposal for the Buyback was approved at the Board Meeting and the intimation (Outcome) was sent to the Stock Exchanges on the same day (Friday, September 24, 2021). The closing market prices of the Equity Shares on NSE and BSE, during this period, are summarised below.

| Event | Date | NSE (₹) | BSE (₹) |
|--|--------------------|---------|---------|
| 1 (One) Trading Day Prior to the Notice of Board Meeting | September 20, 2021 | 530.35 | 530.35 |
| Notice of the Board Meeting convened to consider the proposal of the Buyback | September 21, 2021 | 528.90 | 529.55 |
| 1 (One) Trading Day Post the Notice of Board Meeting | September 22, 2021 | 593.80 | 594.30 |
| 1 (One) Trading Day Prior to the Board Meeting | September 23, 2021 | 592.80 | 592.40 |
| Board Meeting Date | September 24, 2021 | 608.75 | 609.00 |
| 1 (One) Trading Day Post-Board Meeting | September 27, 2021 | 599.30 | 599.40 |

17. DETAILS OF THE STATUTORY APPROVALS

- 17.1** The Buyback is subject to approvals, if any, required under the provisions of the Companies Act, the Buyback Regulations, and applicable rules and regulations as specified by RBI under FEMA and/or such other applicable rules and regulations for the time being in force. As on date, there are

no other statutory or regulatory approvals required to implement the Buyback other than those indicated above.

- 17.2** Buyback from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Shareholders must obtain all approvals if required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI). It is the obligation of such Non-Resident Shareholders, NRI, OCB shareholders, to obtain such approvals (if required) and submit such approvals along with the Tender Form, so as to enable them to tender Equity Shares in the Buyback and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to such Eligible Shareholders in respect of whom no prior RBI approval is required and not Accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
- 17.3** By participating in the Buyback, the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting(s), if required, including the form FC-TRS, if necessary and such Non-Resident Shareholders undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- 17.4** As of date of this Draft Letter of Offer, there are no statutory or regulatory approvals required to implement the Buyback, other than as indicated above. If any statutory or regulatory approvals become applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory/regulatory approvals are delayed, changes to the proposed timetable of the Buyback, if any, shall be intimated to stock exchanges.

18. DETAILS OF THE REGISTRAR TO THE BUYBACK AND COLLECTION CENTRES

Eligible Shareholders who wish to tender their Equity Shares in the Buyback can send by registered post/speed post or hand deliver the Tender Form, TRS generated by the exchange bidding system along with all the relevant documents by super-scribing the envelope as “NSEL Buyback Offer - 2021”, to the Registrar at its office set out below so that the same are received by [●]:

KFin Technologies Private Limited

Address: Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500032, Telangana, India

Contact Person: Mr. M Murali Krishna

Telephone: +91-4067162222/18003094001

Email: nse.buyback@kfintech.com; inward.ris@kfintech.com

Website: www.kfintech.com

SEBI Registration No.: INR000000221

Corporate Identity Number: U72400TG2017PTC117649

ELIGIBLE SHAREHOLDERS HOLDING AND TENDERING EQUITY SHARES IN DEMAT FORM ARE NOT REQUIRED TO SUBMIT THE TENDER FORM AND THE TRS.

THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1.** The Company proposes to Buyback 22,67,400 (Twenty Two Lakh Sixty Seven Thousand and Four Hundred Only) fully paid-up Equity Shares from the Eligible Shareholders as on the Record Date, on a proportionate basis, through the Tender Offer route at the Buyback Price, i.e., ₹ 700/- (Rupees Seven Hundred Only) per Equity Share, payable in cash for an aggregate amount of ₹1,58,71,80,000/- (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only). The maximum number of Equity Shares proposed to be bought back represents 7.81% of the total paid-up equity share capital of the Company as at March 31, 2021. The Buyback is in accordance with Article 57 of the Articles, Sections 68, 69 and 70 and all other applicable provisions of the Companies Act, applicable SCD Rules, the Management Rules and the Buyback Regulations and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board. The Buyback Size is 24.90% and 24.01% of the aggregate of the fully paid-up Equity Share Capital and free reserves of the Company as per the latest audited standalone as well as consolidated balance sheet, respectively, as at March 31, 2021 (the last audited balance sheet available as on the date of the Board Meeting approving the Buyback). The Equity Shareholders of the Company approved the Buyback, by way of a special resolution, through postal ballot through remote e-voting, the results of which were announced on Tuesday, November 16, 2021.
- 19.2.** The aggregate shareholding of the Promoter and Promoter Group as at the date of the Public Announcement is 1,96,27,866 Equity Shares which represents 67.59% of the existing equity share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the Promoters and Promoter Group have the option to participate in the Buyback. In this regard, the Promoter and Promoter group have expressed their intention vide their letters dated Thursday, September 23, 2021 and Friday, September 24, 2021 to participate in the Buyback and may tender up to an aggregate maximum number of 1,08,710 Equity Shares or such lower number of shares in accordance with the provisions of the Buyback Regulations/terms of the Buyback. Please refer to paragraph 9.2 on page 16 of this Draft Letter of Offer for details on participation by the Promoter and Promoter Group.
- 19.3.** Assuming Acceptance of all Equity Shares tendered in the Buyback from the Eligible Shareholders up to their respective Buyback Entitlement, the shareholding of the Promoter and Promoter Group after the completion of the Buyback may change from 67.59% to [●]% of the post-Buyback total paid-up equity share capital of the Company. Also, if none of the public shareholders participate and only the Promoter and Promoter Group participate to the extent of the Buyback Entitlement, their shareholding may change from 67.59% to [●]% of the total equity share capital of the Company.
- 19.4.** The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback or not and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback.
- 19.5. Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:**
- 19.5.1.** The Company has fixed Saturday, November 27, 2021 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Eligible

Shareholders. The same was intimated to the Stock Exchanges on Friday, November 12, 2021.

19.5.2. The Equity Shares to be bought back as a part of this Buyback are divided into two categories:

19.5.2.1. Reserved category for Small Shareholders (“**Reserved Category**”); and

19.5.2.2. General Category for all other Eligible Shareholders (“**General Category**”).

19.5.3. As defined in the Buyback Regulations, Small Shareholder means a shareholder, who holds shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than Two Lakh Rupees. As on the Record Date, the closing price on NSE and BSE was ₹ [●]/- (Rupees [●]) and ₹ [●]/- (Rupees [●]), respectively. Accordingly, all Eligible Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback.

19.5.4. Based on the above definition, there are [●] Small Shareholders in the Company with aggregate shareholding of [●] Equity Shares as on the Record Date, which constitutes [●]% of the outstanding number of Equity Shares of the Company and [●]% of the maximum number of Equity Shares which the Company proposes to buy back as a part of this Buyback.

19.5.5. In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be the higher of:

19.5.5.1. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e., 15% of 22,67,400 (Twenty Two Lakh Sixty Seven Thousand Four Hundred Only) Equity Shares which is 3,40,110 (Three Lakh Forty Thousand One-Hundred and Ten) Equity Shares; or

19.5.5.2. The number of Equity Shares entitled as per their shareholding as on the Record Date [i.e., $([●] / [●]) \times [●]$] which is [●] Equity Shares.

i. All the outstanding fully paid-up Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and Promoter Group also intend to offer Equity Shares held by them in the Buyback.

ii. Based on the above and in accordance with Regulation 6 of the Buyback Regulations, [●] [(rounded off)] fully paid-up Equity Shares have been reserved for Small Shareholders. Accordingly, General Category for all other Eligible Shareholders shall consist of [●] Equity Shares.

19.5.6. Based on the above Buyback Entitlements, the ratio of Buyback for both categories is as follows:

| Category of Shareholders | Ratio of Buyback |
|--|---|
| Reserved category for Small Shareholders | [●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date. |
| General category for all other Eligible Shareholders | [●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date. |

The ratio of Buyback indicated above is approximate and provides an indication of the Buyback Entitlement. Any computation of entitled Equity Shares using the above ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for reserved category for Small Shareholders is [●]% and for general category shareholders is [●]%.

19.6. Fractional Entitlements:

19.6.1. If the Buyback Entitlement under Buyback, after applying the above-mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e., not in the multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Shareholders.

19.6.2. On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered Additional Equity Shares.

19.7. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:

19.7.1. Subject to the provisions contained in the Draft Letter of Offer, the Company will Accept Equity Shares tendered in the Buyback by Small Shareholders in the Reserved Category in the following order of priority:

19.7.1.1. Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buyback Entitlement or the number of Equity Shares tendered by them, whichever is less; and

19.7.1.2. Post the Acceptance as described in paragraph 19.7.1.1 above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buyback, shall be given preference and one share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.

19.7.1.3. Post the Acceptance as described in paragraph 19.7.1.1 and 19.7.1.2 above, in case there are any Equity Shares left to be bought back in the Reserved

Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be Accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholder shall be made in accordance with the Buyback Regulations, i.e. valid Acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered in the Reserved Category and multiplied by the total pending number of Equity Shares to be Accepted in the Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom one Equity Share has been Accepted in accordance with paragraph 19.7.1.2 above, shall be reduced by one.

19.7.1.4. Adjustment for fractional results in case of proportionate Acceptance, as described in paragraph 19.7.1.3 above:

19.7.1.4.1. For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, the fraction would be rounded off to the next higher integer.

19.7.1.4.2. For any shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, the fraction shall be ignored.

19.8. Basis of Acceptance of Shares validly tendered in the General Category:

19.8.1. Subject to the provisions contained in this Draft Letter of Offer, the Company will Accept the Equity Shares tendered in the Buyback by all other Eligible Shareholders in the General Category in the following order of priority:

19.8.1.1. Acceptance of 100% Equity Shares from other Eligible Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.

19.8.1.2. Post the Acceptance as described in paragraph 19.8.1.1 above, in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other Eligible Shareholders over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per shareholder shall be made in accordance with the Buyback Regulations, i.e. valid Acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Shareholder divided by the total Additional Equity Shares validly tendered in the General Category and

multiplied by the total pending number of Equity Shares to be Accepted in the General Category.

19.8.1.3. Adjustment for fractional results in case of proportionate Acceptance as described in paragraph 19.8.1.2 above:

19.8.1.3.1. For any Eligible Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, the fraction would be rounded off to the next higher integer.

19.8.1.3.2. For any Eligible Shareholder if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, the fraction shall be ignored.

19.9. Basis of Acceptance of Equity Shares between Categories

19.9.1. In case there are any Equity Shares left to be bought back in one category (“Partially Filled Category”) after Acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, the Additional Equity Shares in the second category shall be Accepted proportionately, i.e. valid Acceptances per Eligible Shareholder shall be equal to the additional outstanding Equity Shares validly tendered by an Eligible Shareholder in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the Partially Filled Category.

19.9.2. If the Partially Filled Category is the General Category, and the second category is the Reserved Category, for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom one Equity Share has been Accepted in accordance with paragraph 19.7.1.2 shall be reduced by one.

19.9.3. Adjustment for fractional results in case of proportionate Acceptance, as defined in paragraphs 19.9.1 and 19.9.2 above:

19.9.3.1. For any shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, the fraction would be rounded off to the next higher integer.

19.9.3.2. For any shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, the fraction shall be ignored.

19.10. For avoidance of doubt, it is clarified that:

- 19.10.1.** the Eligible Shareholders are advised to tender Equity Shares from their respective demat accounts/ folios in which they are holding the Equity Shares as on the Record Date;
- 19.10.2.** the Equity Shares Accepted under the Buyback from each Eligible Shareholder, in accordance with paragraphs above, shall not exceed the number of Equity Shares tendered by the respective Eligible Shareholder;
- 19.10.3.** the Equity Shares Accepted under the Buyback from each Eligible Shareholder, in accordance with paragraphs above, shall not exceed the number of Equity Shares held by respective Eligible Shareholders as on the Record Date; and
- 19.10.4.** the Equity Shares tendered by any Eligible Shareholders over and above the number of Equity Shares held by such Eligible Shareholders as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the paragraphs above.
- 19.10.4.1.** The Equity Shares accepted under the Buyback, shall not exceed 22,67,400 (Twenty Two Lakh Sixty Seven Thousand Four Hundred Only) Equity Shares OR ₹1,58,71,80,000/- (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only), whichever is lower.
- 19.10.4.2.** In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Board or Buyback Committee authorized by the Board will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in Paragraph 19.7, 19.8, 19.9 and 19.10.

19.11. Clubbing of Entitlement

In accordance with Regulation 9(ix) of the Buyback Regulations, in order to ensure that the same shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or general) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of physical shareholders, where the sequence of PANs is identical, the Company will club together the Equity Shares held in such cases. Similarly, in case of physical shareholders where PAN is not available, the Company will check the sequence of names of the joint holders and club together the Equity Shares held in such cases where the sequence of name of joint shareholders is identical. The shareholding of institutional investors like mutual funds, pension funds/trusts, insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the Depositories.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- 20.1.** The Buyback is open to all Eligible Shareholders and beneficial owners of the Company, holding Equity Shares either in dematerialized form or physical form on the Record Date.
- 20.2.** The Company proposes to affect the Buyback through the Tender Offer route, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be dispatched to Eligible Shareholders.
- 20.3.** The Letter of Offer shall be dispatched through electronic modes to Eligible Shareholders who have registered their email Ids with the depositories/the Company and through physical mode by registered post/speed post/courier to Eligible Shareholders who have not registered their email Ids with the depositories/Company. An Eligible Shareholder may access the Letter of Offer, on the websites of the Company, the Registrar to the Buyback, the Stock Exchange(s) and the Manager to the Buyback at www.nucleussoftware.com, www.karvycomputershare.com, www.nseindia.com, www.bseindia.com and www.corporateprofessionals.com, respectively. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in paragraph 20.23 below. The Company shall accept all the Equity Shares validly tendered in the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- 20.4.** The Company will not accept any Equity Shares offered for Buyback which are under any restraint order of a court for transfer/sale of such shares. The Company shall comply with Regulation 24(v) of the Buyback Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till such Equity Shares become transferable.
- 20.5.** Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and **in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account.** In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Equity Shares may be Accepted subject to appropriate verification and validation by the Registrar to the Buyback. The Board or Buyback Committee authorized by the Board will have the authority to decide such final allocation in case of non-receipt of sufficient proof by such Eligible Shareholder.
- 20.6.** Eligible Shareholders' participation in Buyback is voluntary. Eligible Shareholders holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be Accepted under the Buyback or they may choose not to participate. Eligible Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Eligible Shareholders holding Equity Shares of the Company also have the option of tendering Additional Shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. If the Buyback entitlement for any Eligible Shareholder is not a round number, the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback. The Acceptance of any Equity Shares tendered in excess

of the Buyback Entitlement by the Eligible Shareholder shall be in terms of the procedure outlined herein.

- 20.7.** The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date. In case the Eligible Shareholder holds Equity Shares through multiple demat accounts, the tender through a demat account cannot exceed the number of Equity Shares held in that demat account.
- 20.8.** The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- 20.9.** As elaborated under paragraph 19.5 above, the Equity Shares proposed to be bought as a part of the Buyback are divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for all other Eligible Shareholders. The Buyback Entitlement of Eligible Shareholders in each category shall be calculated accordingly.
- 20.10.** Post Acceptance of the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be Accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in the other category
- 20.11.** The Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI Circulars and following the procedure prescribed in the Companies Act, the SCD Rules and the Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time
- 20.12.** For implementation of the Buyback, the Company has appointed **Bharat Bhushan Equity Traders Limited** as the registered broker to the Company (the “Company’s Broker”) to facilitate the process of tendering of Equity Shares through the stock exchange mechanism for the Buyback through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:

Name: Bharat Bhushan Equity Traders Limited

CIN: U74899DL1982PLC014259

Address: 503, Rohit House, 3 Tolstoy Marg, New Delhi – 110001

Contact Person: Mr. Sanjay Rajora

Telephone Number: 011 – 49800900

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SEBI Registration Number: INZ000204433

- 20.13.** The Company will request NSE to provide a separate acquisition window (“Acquisition Window”) to facilitate placing of bid by Eligible Shareholders who wish to tender Equity Shares in the Buyback. The details of platform will be as specified by NSE from time to time. In the event, the Shareholder Broker(s) of any Eligible Shareholder is not registered with NSE as a trading member/stockbroker, then that Eligible Shareholder can approach any NSE registered stockbroker and can register themselves by using quick client code (‘UCC’) facility through the

NSE registered stockholder (after submitting all details as may be required by such NSE registered stockbroker in compliance with applicable law).

- 20.14.** The Buyback from the eligible shareholders who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies). Foreign portfolio investors, non-resident Indians, members of foreign nationality, if any, shall be, subject to the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax, 1961 and rules and regulations framed thereunder, as applicable, and also subject to the receipt/ provision by such Eligible Shareholders of such approvals, if an to extent necessary or required from concerned authorities including, but not limited to, approvals from Reserve Bank of India under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.
- 20.15.** The reporting requirements for Non-Resident Shareholders under Reserve Bank of India, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or the Seller Member through which the Equity Shareholder places the bid.
- 20.16.** Modification/cancellation of the orders and multiple bids from a single Eligible Shareholder will be allowed during the tendering period of the Buyback. Multiple bids made by single shareholder Eligible shareholder for selling the Equity Shares shall be clubbed and considered as “one” bid for the purposes of acceptance.
- 20.17.** The cumulative quantity tendered shall be made available on the website of NSE at www.nseindia.com, throughout the trading session and will be updated at specific intervals during the tendering period.
- 20.18.** The Company will not accept Equity Shares tendered for Buyback which under restraint order of the court for transfer/sale and/or title in respect of which is otherwise under dispute or where loss of share certificates has been notified to the Company and duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or otherwise.
- 20.19.** During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers (“Stock Brokers”) during normal trading hours of the secondary market. Stock Brokers can enter orders for demat shares as well as physical shares.
- 20.20.** During the Tendering Period, the order for selling the Equity Shares will be placed in the acquisition window by Eligible Shareholders through their respective Stock Brokers during normal trading hours of the secondary market.
- 20.21.** Stock Brokers can enter orders for both Equity Shares in demat and physical form.
- 20.22.** All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

20.23. Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialized form.

- 20.23.1.** Eligible Shareholders who desire to tender their Equity Shares in electronic form under the Buyback would have to do so through their respective Stock Broker by indicating the details of Equity Shares they intend to tender under the Buyback.
- 20.23.2.** The Stock Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchange.
- 20.23.3.** The lien shall be marked by the Seller Member in the demat account of the Shareholders for the shares tendered in the tender offer. Details of Shares marked as lien in the demat account of the Shareholder shall be provided by the Depositories to Clearing Corporation.
- 20.23.4.** In case, the Shareholders' Demat Account is held with one Depository and Clearing Member pool and Clearing Corporation Accounts held with other depository, shares shall be blocked in the shareholders demat account at source depository during the tendering period. Inter Depository Tender Offer ("IDT") instructions shall be initiated by the shareholders at source depository to Clearing Member/Clearing Corporation account at target depository. Source Depository shall block the shareholder's securities (i.e., transfer from free balance to blocked balance) and sends IDT message to target Depository for confirming creation of lien. Details of shares blocked in the shareholders demat account shall be provided by the target Depository to the Clearing Corporation.
- 20.23.5.** For Custodian Participant orders, from demat Equity Shares early pay-in is mandatory prior to confirmation of order by custodian participant. The custodian participant shall either confirm or reject the orders not later than the closing of trading hours on the last day of tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participants orders, order modification shall revoke the custodian participant confirmation and the revised order shall be sent to the custodian participant again for confirmation.
- 20.23.6.** Upon placing the bid, the Stock Broker shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of the order submitted like bid ID number, application number, DP ID, client ID, number of Equity Shares tendered, etc.
- 20.23.7.** It is clarified that in case of dematerialized Equity Shares, non-receipt of the completed tender form and other documents, but if the lien is marked successfully in the depository system and a valid bid in the exchange bidding system, the bid for buyback shall be deemed to have been accepted.
- 20.23.8.** Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- 20.23.8.1. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
- 20.23.8.2. Duly attested death certificate and succession certificate/legal heirship certificate, in case any Eligible Shareholder has expired; and
- 20.23.8.3. In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).
- 20.23.8.4. IN CASE OF DEMAT EQUITY SHARES, SUBMISSION OF TENDER FORM AND TRS IS NOT REQUIRED. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Eligible Shareholders holding Equity Shares in demat form have successfully tendered the Equity Shares in the Buyback.
- 20.23.8.5. The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to pro-rated Buyback decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the savings bank account attached with the DP account active and updated to receive credit remittance due to Acceptance of Buyback of shares by the Company.

20.24. Equity Shares held in the Physical form:

In accordance with the Frequently Asked Questions issued by SEBI, “FAQs - Tendering of physical shares in Buyback offer/ open offer/ exit offer/delisting” dated February 20, 2020, and SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/144 dated July 31, 2020, Eligible Shareholders holding Equity Shares in physical form can participate in the Buyback. The procedure is as below:

While shareholders holding equity shares in physical form are eligible to participate in the Buyback, they are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions in a convenient and effective manner.

- 20.24.1. Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Stock Brokers along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s), (ii) valid share transfer form(s) (i.e., form SH-4) duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the Eligible Shareholder’s PAN Card, and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of an Eligible Shareholder

has undergone a change from the address registered in the Register of Members of the Company, such Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhaar Card, Voter Identity Card or Passport.

- 20.24.2.** Based on the documents mentioned in paragraph 20.21.1 above, the concerned Stock Broker shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Buyback using the acquisition window of the Stock Exchange. Upon placing the bid, the Stock Broker shall provide a TRS generated by the Stock Exchanges' bidding system to the Eligible Shareholder. The TRS will contain the details of the order submitted like Folio No., Certificate No., Distinctive Numbers, No. Of Equity Shares tendered, etc.
- 20.24.3.** The Stock Broker has to deliver the original share certificate(s) and documents (as mentioned in paragraph 20.21.1 above) along with TRS either by registered post or courier or hand delivery to the Registrar (at the address mentioned at paragraph 18.1 above or the collection centres of the Registrar details of which will be included in the Letter of Offer) within 2 (two) days of closure of the Tendering Period. The envelope should be super scribed as "NSEL Buyback Offer-2021". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Stock Broker/ Eligible Shareholder.
- 20.24.4.** An Eligible Shareholder holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchange shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'confirmed bids'.
- 20.24.5.** All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) if there is any other company's equity share certificate(s) enclosed with the Tender Form instead of the Equity Share certificate(s) of the Company; (ii) if the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (iii) if the Eligible Shareholders tender Equity Shares but the Registrar to the Buyback does not receive the Equity Share certificate(s) or other relevant documents; or (iv) in case the signature on the Tender Form and Form SH-4 does not match as per the specimen signature recorded with Company/Registrar of the Company.
- 20.24.6.** In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before Buyback Closing Date.

20.25. For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (Read with paragraph 17 “Details of the Statutory Approvals”):

- 20.25.1.** Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FPIs/FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- 20.25.2.** In case the Equity Shares are held on repatriation basis, the Non-Resident Eligible Shareholder shall obtain and enclose a letter from its authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the non-resident Eligible Shareholder from the appropriate account (e.g., NRE a/c.) as specified by RBI in its approval. In case the Non-Resident Eligible Shareholder is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Shareholder shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares Accepted under the Buyback.
- 20.25.3.** If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback are liable to be rejected

THE NON-RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUYBACK, SHALL NOT INVALIDATE THE BUYBACK OFFER IN ANY WAY.

20.26. In case of non-receipt of the Letter of Offer and the Tender Form:

- 20.26.1. In case the Equity Shares are in dematerialized form:** If Eligible Shareholder(s) who have been sent the Letter of Offer and the Tender Form through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the websites of the Company, the Registrar to the Buyback, the Stock Exchanges and the Manager to the Buyback at www.nucleussoftware.com, www.karvycomputershare.com, www.nseindia.com, www.bseindia.com and www.corporateprofessionals.com, respectively, or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
- 20.26.2. In case the Equity Shares are in physical form:** Eligible Shareholder(s) have been sent the Letter of Offer and the Tender Form. An Eligible Shareholder may participate in the Buyback by providing their application in writing on plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares

held, share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Equity Shareholders' PAN card(s) and executed share transfer form in favour of the Company. The Letter of Offer, Tender Form and share transfer form SH-4 can be downloaded from the websites of the Company, the Registrar to the Buyback, the Stock Exchanges and the Manager to the Buyback at www.nucleussoftware.com, www.karvycomputershare.com, www.nseindia.com, www.bseindia.com and www.corporateprofessionals.com, respectively. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 20.21.1) above), reach the Registrar on or before the Buyback Closing Date i.e. [●] (by 5 PM). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Stock Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Stock Broker or broker in the electronic platform to be made available by the Stock Exchange before the Buyback Closing Date.

The Company shall Accept Equity Shares validly tendered by Eligible Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback, before participating in the Buyback.

20.27. The participation of the Eligible Shareholders in the Buyback is entirely at the discretion of the Equity Shareholders. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.

20.28. Method of Settlement

Upon finalization of the basis of Acceptance as per Buyback Regulations:

20.28.1. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

20.28.2. The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. The settlement of the fund obligation for Demat Shares shall be affected as per the SEBI circulars and as prescribed by NSE and Clearing Corporation from time to time. For Equity Shares accepted under Buyback, the Clearing Corporation's will make direct funds payout to the respective Shareholders.

If the respective shareholder's bank account details are not available or if the fund transfers instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned seller broker settlement bank account for onward transfer to such respective Shareholders.

- 20.28.3.** In case of Eligible Shareholder where there are specific RBI and other regulatory requirements pertaining to funds pay-out, which do not opt to settle through custodians, the funds pay-out would be given to their respective Seller broker settlement bank account for onward transfer to the Eligible Shareholders. For this purpose, the client type details would be collected from the Registrar to the Buyback.
- 20.28.4.** Details in respect of Shareholder's entitlement for tender offer process will be provided to the Clearing Corporation by the Company or the Registrar to the Buyback. On receipt of the same, Clearing Corporation will cancel the excess or unaccepted blocked shares in the demat account of the shareholder. On settlement date, blocked shares mentioned in the accepted bid will be transferred to the Clearing Corporation.
- 20.28.5.** In the case of Inter Depository, Clearing Corporation will cancel the excess or unaccepted shares in target depository. Source Depository will not be able to release the lien without a release of IDT message from Target Depository. Further, release of IDT message shall be sent by target Depository either based on cancellation request received from Clearing Corporation or automatically generated after matching with Bid accepted detail as received from the Company or the Registrar to the Buyback. Post receiving the IDT message from target Depository, source Depository will cancel/release excess or unaccepted block shares in the demat account of the shareholder. Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the securities as per the communication/message received from target Depository to the extent of accepted bid shares from shareholder's demat account and credit it to Clearing Corporation settlement account in target Depository on settlement date.
- 20.28.6.** Any excess physical Equity Shares pursuant to proportionate Acceptance/rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares Accepted by the Company are less than the Equity Shares tendered in the Buyback by Equity Shareholders holding Equity Shares in the physical form.
- 20.28.7.** The Equity Shares bought back in demat form would be transferred directly to the special demat account of the Company opened for the Buyback ("Company Demat Account").
- 20.28.8.** Eligible Shareholders who intend to participate in the Buyback should consult their respective Stock Broker(s) for any cost, applicable taxes, charges and expenses (including brokerage, STT and stamp duty) etc., that may be levied by the Stock Broker(s) upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Shareholders, in respect of Accepted Equity Shares, could be net of such costs,

applicable taxes, charges and expenses (including brokerage, STT and stamp duty) and the Company accepts no responsibility to bear or pay such additional cost, additional taxes, charges and expenses (including brokerage, STT and stamp duty) incurred solely by the Eligible Shareholders.

- 20.28.9.** The Seller broker would issue a contract note & pay consideration for the Equity Shares accepted under the Buyback and will unblock the excess unaccepted Equity Shares. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
 - 20.28.10.** In case of certain shareholders viz., NRIs, non-residents, etc. (where there are any specific regulatory requirements pertaining to fund payout including those prescribed by RBI) who do not opt to settle through custodians, the funds pay-out would be given to their respective Shareholder brokers settlement accounts for releasing the same to such shareholder's account.
 - 20.28.11.** The Equity Shares lying to the credit of the Special Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.
- 20.29.** The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:
- 20.29.1.** the Equity Shareholder is not an Eligible Shareholder of the Company as on the Record Date;
 - 20.29.2.** there is a name mismatch in the dematerialized account of the Eligible Shareholder;
 - 20.29.3.** there exists any restraint order of a court/any other competent authority for transfer/disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists;
 - 20.29.4.** the documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [●] (by 5 p.m. IST);
 - 20.29.5.** if there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
 - 20.29.6.** If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
 - 20.29.7.** If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate or other relevant documents; or
 - 20.29.8.** In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

21. NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS RELATING TO THE BUYBACK OF EQUITY SHARES AS LISTED ON THE STOCK EXCHANGE SET OUT IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION

BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.

FINANCE (NO.2) ACT, 2019 HAS AMENDED THE PROVISIONS OF SECTION 115QA IN CHAPTER XII-DA OF THE INCOME TAX ACT, 1961 BY OMITTING THE WORDS “NOT BEING SHARES LISTED ON A RECOGNISED STOCK EXCHANGE”. THE EFFECT OF THIS OMISSION IS THAT THE PROVISIONS OF SECTION 115QA RELATING TO THE BUY BACK OF THE SHARES, WHICH WERE HITHERTO NOT APPLICABLE TO THE BUY BACK OF SHARES WHICH WERE LISTED ON A RECOGNISED STOCK EXCHANGE, HAVE NOW BECOME APPLICABLE EVEN TO THE BUY BACK OF SHARES LISTED ON A RECOGNISED STOCK EXCHANGE. SECTION 115QA HAS BEEN FURTHER AMENDED BY TAXATION LAWS (AMENDMENT) ACT, 2019 TO STATE THAT THE PROVISIONS OF SECTION 115QA ARE APPLICABLE IN RESPECT OF ALL THE BUY BACK OF SHARES LISTED ON A RECOGNISED STOCK EXCHANGE WHOSE PUBLIC ANNOUNCEMENT HAS BEEN MADE ON OR AFTER JULY 5, 2019.

IN VIEW OF THE PARTICULARIZED NATURE OF TAX CONSEQUENCES OF A BUYBACK TRANSACTION, ELIGIBLE SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND THERE CAN BE NO LIABILITY ON THE COMPANY IF ANY ACTION IS TAKEN BY THE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY.

THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF EQUITY SHARES LISTED ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

GENERAL

- (1) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961 (the “Income Tax Act” or the “Act”).
- (2) A person who qualifies as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person’s India-sourced income or income received by such person in India. In case of shares of a company, the source of income from shares would depend on the “situs” of such shares. As per judicial precedents, generally the “situs” of the shares is where a company is “incorporated” and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the Company’s shares would be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act. Further, the non-resident can avail themselves of the beneficial provisions of the Double Taxation Avoidance Agreement (“DTAA”) between India and the respective jurisdiction of the shareholder

subject to meeting relevant conditions and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

- (3) The summary of tax implications on the buyback of equity shares listed on the stock exchange in India is set out below. All references to equity shares in this note refer to equity shares listed on the stock exchange in India unless stated otherwise.
- (4) Income tax provisions in respect of buyback of equity shares listed on the recognized stock exchange (for buyback where public announcement has been made on or after July 5, 2019) considering relevant amendments under the Finance (No. 2) Act, 2019 and Taxation Laws (Amendment) Act, 2019.
 - a. Section 115QA of the Act, introduced with effect from June 1, 2013, contains provisions for taxation of a domestic company in respect of buy-back of shares. The Section provides for the levy of additional income tax at the rate of twenty per cent (as increased by surcharge and Health and Education cess, as applicable) of the distributed income on account of buyback of shares of all domestic Indian companies including listed companies, i.e., companies whose shares are listed on a recognized stock exchange. Before the enactment of Finance (No. 2) Act, 2019, this section was not applicable to shares listed on a recognized stock exchange. The Finance (No. 2) Act, 2019 has amended section 115QA with effect from July 5, 2019, extending its provisions to cover distributed income on buyback of equity shares of a company listed on a recognized stock exchange as well whose public announcement has been made on or after July 5, 2019.
 - b. The tax is chargeable on distributed income which is defined under section 115QA to mean the consideration paid by the company on buyback of shares as reduced by the amount which was received by the company for issue of such shares. Such tax on distributed income is to be discharged by the company as per the procedure laid down in section 115QA read with any applicable rules framed thereunder. Buyback Tax does not form part of the Buyback Size and will be appropriated out of free reserves of the company.
 - c. The tax on the distributed income by the company shall be treated as the final payment of tax in respect of the said income and no further credit therefor is allowable to the company or to any other person in respect of the amount of tax so paid.
 - d. No deduction under any other provision of the Act shall be allowed to the company or a shareholder in respect of the income which has been charged to tax on the distributed income under section 115QA.
 - e. As additional income-tax has been levied on the company under Section 115QA of the Act, the consequential income arising in the hands of shareholders has been exempted from tax under section 10(34A) of the Act. Accordingly, any income arising in the hands of shareholder (whether resident or non-resident) on account of buyback of shares shall be exempt from any additional tax in India irrespective of the characterisation of the shares, i.e. whether long term or short term or held as investment or stock-in-trade.

RATE OF SURCHARGE AND CESS

The Finance Act, 2020 provided that the applicable Surcharge and Health and Education Cess leviable on a Buyback transaction in all circumstances would be 12% and 4% respectively.

THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES.

The summary of the tax considerations as above is based on the current provisions of the tax laws of India, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PARTICIPATING IN THE BUYBACK.

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Schedule I to the Buyback Regulations:

- 22.1.** The Board of Directors confirms that there are no defaults subsisting in repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payment thereon to any financial institutions or banking company.
- 22.2.** The Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:
- i. immediately following the date of the Board Meeting held on September 24, 2021 or following the date on which the results of Postal Ballot with regard to the proposed Buyback will be declared, there will be no grounds on which the Company can be found unable to pay its debts;
 - ii. as regards the Company's prospects for the year immediately following the date of the Board meeting held on Friday, September 24, 2021 as well as the year immediately following the date on which the results of Postal Ballot are declared, approving the Buyback and having regards to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting i.e. Friday, September 24, 2021 approving the Buyback or within a period of one year from the

date on which the results of Postal Ballot are declared i.e. Tuesday, November 16, 2021, as the case may be;

- iii. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

For and on behalf of the Board of Directors of **Nucleus Software Exports Limited**

Sd/-
Vishnu R Dusad
Managing Director
(DIN:00008412)

Sd/-
Parag Bhise
CEO & Executive Director
(DIN: 08719754)

23. AUDITORS CERTIFICATE

The text of the report dated September 24, 2021 of M/s B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231 W/W-100024), Statutory Auditors of the Company, addressed to the Board is reproduced below:

Quote

September 24, 2021

**To
The Board of Directors
Nucleus Software Exports Limited,
33-35, Thyagraj Nagar Market,
New Delhi – 110003**

Dear Sir/ Madam,

INDEPENDENT AUDITOR'S REPORT ON BUY BACK OF SHARES PURSUANT TO THE REQUIREMENT OF THE COMPANIES ACT, 2013, AS AMENDED ("the Act") AND CLAUSE (XI) OF SCHEDULE I TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED ("the SEBI Buyback Regulations")

1. This Report is issued in accordance with the terms of our engagement letter dated 20 September 2021. The Board of Directors of Nucleus Software Exports Limited ("the Company") have approved a proposed buy-back of Equity Shares by the Company at its meeting held on 24 September 2021, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 and the SEBI Buyback Regulations.
2. The Statement of permissible capital payment ('Annexure A') as at 31 March 2021 (hereinafter referred together as the "Statement") is prepared by the management.

Board of Directors' Responsibility for the Statement

3. The preparation of the Statement in accordance with Section 68(2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback Regulations, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and offer document of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of meeting.

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide a reasonable assurance:
 - a. whether we have inquired into the state of affairs of the Company in relation to its latest audited standalone and consolidated financial statements as at and for the year ended 31 March 2021;
 - b. if the amount of the permissible capital payment for the proposed buy-back of equity shares is properly determined considering the audited standalone and consolidated financial statements for the year ended 31 March 2021; and
 - c. if the Board of Directors in their meeting dated 24 September 2021, have formed the opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, as amended on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date.
6. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the criteria mention in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the report. We have performed the following procedures in relation to the Statement:
 - a. We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at and for the year ended 31 March 2021;
 - b. Examined authorization for buyback from the Articles of Association of the Company;
 - c. Examined that the amount of permissible capital payment for the buy-back as detailed in Annexure A prepared by management is within permissible limit computed in accordance with section 68(2)(c) of the Act based on the audited standalone and consolidated financial statements of the Company;
 - d. Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such buy-back;
 - e. Examined that all shares for buy-back are fully paid-up;
 - f. Read the resolutions passed in the meetings of the Board of Directors.
 - g. Obtained required explanations and representations from management.

7. The standalone and consolidated financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated 3 June 2021. Our audit of these financial statements was conducted in accordance with the Standards on Auditing (“Standards”) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (“ICAI”). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for special purposes issued by the ICAI (“Guidance Note”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.
10. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Opinion

11. Based on enquiries conducted and our examination as above, we report as follows:
 - a. We have enquired into the state of affairs of the Company in relation to its audited Standalone and Consolidated Financial Statements as at and for the year ended 31 March 2021 which has been approved by the Board of Directors of the Company on 3 June 2021.
 - b. The Statement of permissible capital payment towards buyback of equity shares, as stated in Annexure A, has been properly determined in accordance with Section 68(2)(c) of the Act.
 - c. The Board of Directors in their meeting held on 24 September 2021 have formed their opinion, as specified under Clause (x) of Schedule I of the SEBI Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.
12. We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restrictions on use

13. This report has been issued at the request of the Company solely for use of the Company in relation to (i) filing information in the explanatory statement to the notice for special resolution and in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No. 116231 W/W-100024

Sd/-
Girish Arora
Partner
Membership Number: 098652
UDIN: 21098652AAAABN3880

Place: New Delhi
Date: 24 September 2021

Annexure A

Statement of permissible capital payment

| Particulars | | Amount (Rs. in lakhs) | |
|--|------------|-----------------------|---------------|
| | | Standalone | Consolidated |
| Paid up equity share capital as on 31 March 2021* (29,040,724 equity shares of face value Rs. 10 each) | A | 2,904 | 2,904 |
| Free reserves as on 31 March 2021 | | | |
| - Retained Earnings | | 60,078 | 62,428 |
| - General Reserves | | 661 | 661 |
| - Securities Premium Account | | 100 | 100 |
| Total Free Reserves | B | 60,839 | 63,189 |
| Total | A+B | 63,743 | 66,093 |
| Maximum amount of capital payment permissible for the buyback of equity shares (25% of paid up share capital and free reserves) | | 15,935 | 16,523 |
| Maximum amount permitted by Board Resolution dated 24 September 2021 approving the Buyback, subject to shareholders approval, based on the audited financial statements for the year ended 31 March 2021 | | 15,872 | |

* the paid up equity share capital of Rs. 2,904 lakhs include Rs. 15,000 in respect of 2,800 forfeited shares pending reissue.

Unquote

24. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of Nucleus Software Exports Limited at the Corporate Office: A-39, Sector-62, Noida, Uttar Pradesh-201307 from 10.00 a.m. to 5.00 p.m. on any day, except Saturdays, Sundays and public holidays, during the Tendering Period.

- i. Certificate of Incorporation of the Company.
- ii. Memorandum and Articles of Association of the Company.
- iii. Annual reports of the Company for the last three financial years i.e., FY 2020-21, FY 2019-20 and FY 2018-19;

- iv. Audited standalone financials for the period ended September 30, 2021.
- v. Limited Review unaudited consolidated financials for the period ended September 30, 2021.
- vi. Copy of resolution passed by the Board of Directors at their meeting held on Friday, September 24, 2021 approving the proposal of the Buyback.
- vii. Copy of resolutions passed by Circulation dated by the Buy Back Committee on Tuesday, October 12, 2021
- viii. Copy of resolutions passed by the Buy Back Committee at their meeting held on Wednesday, November 10, 2021
- ix. Certificate dated September 24, 2021 received from M/s B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231 W/W-100024), the Statutory Auditors of the Company, in terms of clause (xi) of Schedule I of the Buyback Regulations.
- x. Copy of Special Resolution of the Equity Shareholders approving the Buyback, passed by way of Postal Ballot through remote e-voting, the results of which were announced on Tuesday, November 16, 2021.
- xi. Copy of Public Announcement dated Wednesday, November 17, 2021, published in the newspapers on Thursday, November 18, 2021, regarding the Buyback.
- xii. Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 of the SCD Rules.
- xiii. Certificate from M/s. SPMG & Company, Chartered Accountants, dated Thursday, November 25, 2021, certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Regulations.
- xiv. Copy of Escrow Agreement dated Monday, November 22, 2021 between Nucleus Software Exports Limited, HDFC Bank Limited and Corporate Professionals Capital Private Limited.
- xv. Confirmation mail by the Escrow Bank dated Tuesday, November 23, 2021, that the Escrow Account has been opened.
- xvi. Confirmation mail by the Escrow Bank dated [●] that Escrow Amount has been duly deposited as per Regulation 9 of the Buy Back Regulation.
- xvii. SEBI comments vide letter dated [●] issued in terms of the Buyback Regulations.

25. DETAILS OF THE COMPLIANCE OFFICER

Ms. Poonam Bhasin

Company Secretary & Compliance Officer

Address : A-39, Sector 62, Noida, Uttar Pradesh-201307

E-mail :investorrelations@nucleussoftware.com

Telephone : 0120-4031400; Fax: 0120-4031672

Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e., from 10.00 a.m. to 5.00 p.m. IST on all Working Days.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS

- 26.1. In case of any grievances relating to the Buyback (e.g. non-receipt of the Buyback consideration, demat credit, etc.), the investor can approach the Compliance Officer of the Manager to the Buyback and/or Registrar to the Buyback and/or Compliance Officer of the Company for redressal.

26.2. If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made thereunder, for the purposes of clause (f) of sub-section (2) of Section 68 of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, as the case may be.

26.3. The address of the concerned office of the Registrar of Companies is as follows:

Registrar of Companies, Delhi

Address : 4th Floor, IFCI Tower,
61, Nehru Place, New Delhi - 110019
Phone: +011-26235703, 26235708

27. DETAILS OF INVESTOR SERVICE CENTRE

In case of any query, the Equity Shareholders may contact the Registrar of the Company or the Investor Relations team of the Company, on any day except Saturday, Sunday and Public holidays between 10.00 a.m. and 5.00 p.m. at the following address:

Registrar of the Company

KFin Technologies Private Limited

Address: Selenium, Tower B, Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddi-500032, Telangana, India

Contact Person: Mr. M Murali Krishna

Telephone: +91-4067162222/ Toll Free No. : 18003094001

Email: nse1.buyback@kfintech.com; inward.ris@kfintech.com

Website: www.kfintech.com

Company Investor Relations:

Ms. Poonam Bhasin

Company Secretary & Compliance Officer

Address : A-39, Sector 62, Noida, Uttar Pradesh -201307

E-mail : investorrelations@nucleussoftware.com

Telephone : 0120-4031400; **Fax:** 0120-4031672

28. DETAILS OF THE MANAGER TO THE BUYBACK



Corporate Professionals Capital Private Limited

D-28, South Extension Part-1, New Delhi-110049, India

Tel: 011-40622230/40622200/40622219;

Email: mb@indiacp.com

Website: www.corporateprofessionals.com

Contact person: Ms. Anjali Aggarwal

SEBI Registration No.: INM000011435

CIN: U74899DL2000PTC104508

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THIS DRAFT LETTER OF OFFER

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors accept full responsibility for the information contained in this Draft Letter of Offer. This Draft Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Buyback Committee of Board of directors of the Company on Wednesday, November 10, 2021.

For and on behalf of the Board of Directors of Nucleus Software Exports Limited

| | | | |
|--|--|---|--|
| Sd/- Vishnu R Dusad Managing Director (DIN:00008412) | Sd/- Parag Bhise CEO & Executive Director (DIN: 08719754) | Sd/- Anurag Mantri Chief Financial Officer & Executive Director (DIN : 09002894) | Sd/- Poonam Bhasin Company Secretary & Compliance Officer (Membership No. A10865) |
|--|--|---|--|

Place: Noida

Date: Thursday, November 25, 2021

30. OFFER FORM

1. Tender Form for Demat Shareholders
2. Tender Form for Physical Shareholders
3. Form SH-4 for Physical shareholders.

**ANNEXURE I - TENDER FORM FOR ELIGIBLE SHAREHOLDERS HOLDING DEMAT SHARES
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**

Bid Number: Date:
Bid Number: Date:

| | | |
|---|--|--|
| BUYBACK OPENS ON: | | ● |
| BUYBACK CLOSES ON: | | ● |
| For Registrar/ Collection Center use | | |
| Inward No. | Date | Stamp |
| | | |
| Status (please tick appropriate box) | | |
| <input type="checkbox"/> Individual | <input type="checkbox"/> Foreign Institutional Investors/ Foreign Portfolio/Investors | <input type="checkbox"/> Insurance Company |
| <input type="checkbox"/> Foreign Company | <input type="checkbox"/> Non-Resident Indian / OCB | <input type="checkbox"/> FVCI |
| <input type="checkbox"/> Body Corporate | <input type="checkbox"/> Bank / Financial Institution | <input type="checkbox"/> Pension/ PF |
| <input type="checkbox"/> VCF | <input type="checkbox"/> Partnership/ LLP | <input type="checkbox"/> Others (specify) |
| India Tax Residency Status: (Please tick appropriate box) | | |
| <input type="checkbox"/> Resident in India | <input type="checkbox"/> Non-Resident in India | <input type="checkbox"/> Resident of (Shareholder to fill the country of residence) |

To,
The Board of Directors
Nucleus Software Exports Limited
C/o. Kfin Technologies Private Limited
Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda,
Serilingampally, Hyderabad, Rangareddi-500032, Telangana, India
Telephone: +91-4067162222/18003094001

Dear Sirs,

Sub: Letter of Offer dated [●] to Buyback not exceeding 22,67,400 Equity Shares of Nucleus Software Exports Limited (the "Company") at a price of ₹700/- (Rupees Seven Hundred only) per Equity Share ("Maximum Buyback Price"), payable in cash ("Buyback")

- I/We having read and understood the Letter of Offer dated [●], hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share.
- I / We hereby affirm and warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I/We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration will be paid as per secondary market mechanism. The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
- Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I/We agree that the excess demat Shares or unaccepted demat Shares, if any, tendered would be returned to the Eligible Shareholder as per the provision of Buyback Regulations and circulars issued by SEBI.
- I/We undertake to return to the Company any Buyback consideration that may be wrongfully received by me/us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to affect the Buyback in accordance with the Companies Act, 2013 and rules made thereunder and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

| | In Figures | In Words |
|---|------------|----------|
| Number of Equity Shares held as on Record Date ([●]) | | |
| Number of Equity Shares entitled for Buyback (Buyback Entitlement) | | |
| Number of Equity Shares offered for Buyback (including Additional Shares, if any) | | |

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19.7 and 19.8 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

.....Tear along this line.....

ACKNOWLEDGEMENT SLIP: NUCLEUS SOFTWARE EXPORTS LIMITED – BUYBACK OFFER - 2021
(To be filled by the Eligible Shareholder) (subject to verification)

| | | | |
|--|--|------------|--|
| Folio No./DPID: | | Client ID: | |
| Received from Shri/Smt. | | | |
| Form of Acceptance-cum-Acknowledgement, Original TRS along with: | | | |
| No. of Equity Shares offered for Buyback (In Figures) | | (In Words) | |
| STAMP OF BROKER | | | |

Please quote Client ID No. & DP ID No. for all future correspondence

12. Details of Account with Depository Participant (DP):

| | | |
|---|-------------------------------|-------------------------------|
| Name of the Depository (tick whichever is applicable) | <input type="checkbox"/> NSDL | <input type="checkbox"/> CDSL |
| Name of the Depository Participant | | |
| DP ID No. | | |
| Client ID with the Depository Participant | | |

13. Equity Shareholders Details:

| | First/Sole Holder | Joint Holder 1 | Joint Holder 2 | Joint Holder 3 |
|--|-------------------|----------------|----------------|----------------|
| Full Name(s) of the Shareholder(s) | | | | |
| Signature(s)* | | | | |
| PAN No. | | | | |
| Address of the Sole/First Equity Shareholder | | | | |
| Telephone No. / Email ID of the Sole/First Equity Shareholder | | | | |

*Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application form submitted.

Applicable for all Non- resident Shareholders-

- I / We undertake to pay income taxes in India on any income arising on such Buyback in accordance with prevailing income tax laws in India within 7th day of the succeeding month in which the Equity Shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.
- I/We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the RBI under FEMA and any other the rules and regulations, for tendering Equity Shares in the Buyback, and also under take to comply with the reporting requirements, if applicable, and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

- This Buyback offer will open on [●] and close on [●].
- The Equity Shares tendered in the Buyback shall be rejected if (i) the tenderer is not a Eligible Shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the Shareholder
- Eligible Shareholder is required to transfer the Equity Shares under the Buyback Offer to Clearing Corporation, by using the settlement number through the early pay-in mechanism of depositories. This shall be validated by the Shareholder Broker at the time of order/bid entry. The details of the settlement number for the Buyback will be provided in a separate circular which shall be issued at the time of issue opening by Clearing Corporation/BSE.
- The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant.
- The Tender Form and TRS is not required to be submitted to the Company, Manager or the Registrar. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.
- For the procedure to be followed by Eligible Shareholders for tendering in the Buyback, please refer to "Procedure for Tender Offer and Settlement" on page 39 of the Letter of Offer.
- In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by such Eligible Shareholder, stating the name of the Eligible Shareholder, address of the Equity Shareholder, number of Equity Shares held, Client ID number, DP name, DP ID number and number of Equity Shares tendered. Eligible Shareholders have to ensure that their bid is entered in the electronic platform to be made available by the BSE before the closure of the Buyback.
- In case any registered entity has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form, shall file a copy of the following documents: (i) approval from the appropriate authority for such merger, (ii) the scheme of merger, and (iii) the requisite form filed with MCA intimating the merger.
- Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting's, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
- Eligible Sellers have to fill up the EVENT number issued by the depository in the column for settlement details along with the market type as "Buyback", ISIN Quantity of shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (DIS) so that Equity Shares can be tendered in the Buyback.
- For the Eligible Shareholders holding Equity Shares in demat form, the Tender Form and TRS are not required to be submitted to the Company, Manager or the Registrar. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.
- All capitalized items shall have the meaning ascribed to them in the Letter of Offer.

.....Tear along this line.....

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

**Investor Service Centre,
NUCLEUS SOFTWARE EXPORTS LIMITED –BUYBACK OFFER – 2021
KFIN TECHNOLOGIES PRIVATE LIMITED**

Address: Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi -500032, Telangana, India

Contact Person: Mr. M Murali Krishna

Telephone: +91-4067162222/18003094001 ; Email: nsel.buyback@kfintech.com; einward.ris@kfintech.com ; Website: www.kfintech.com

SEBI Registration No.: INR000000221; Corporate Identity Number: U72400TG2017PTC117649

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)**

Bid Number: Date:
Bid Number: Date:

| | | |
|---|--|---|
| BUYBACK OPENS ON: | | ● |
| BUYBACK CLOSES ON: | | ● |
| For Registrar/ Collection Center use | | |
| Inward No. | Date | Stamp |
| | | |
| Status (please tick appropriate box) | | |
| <input type="checkbox"/> Individual | <input type="checkbox"/> Foreign Institutional Investors/ Foreign Portfolio/Investors | <input type="checkbox"/> Insurance Company |
| <input type="checkbox"/> Foreign Company | <input type="checkbox"/> Non-Resident Indian / OCB | <input type="checkbox"/> FVCI |
| <input type="checkbox"/> Body Corporate | <input type="checkbox"/> Bank / Financial Institution | <input type="checkbox"/> Pension/ PF |
| <input type="checkbox"/> VCF | <input type="checkbox"/> Partnership/ LLP | <input type="checkbox"/> Others (specify) |
| India Tax Residency Status: (Please tick appropriate box) | | |
| <input type="checkbox"/> Resident in India | <input type="checkbox"/> Non-Resident in India | Resident of (Shareholder to fill the country of residence) |

To,
The Board of Directors
Nucleus Software Exports Limited
C/o. Kfin Technologies Private Limited
Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda,
Serilingampally, Hyderabad, Rangareddi-500032, Telangana, India
Telephone: +91-4067162222/18003094001

Dear Sirs,

Sub: Letter of Offer dated |●| to Buyback not exceeding 22,67,400 Equity Shares of Nucleus Software Exports Limited (the “Company”) at a price of ₹700/- (Rupees Seven Hundred only) per Equity Share (“Maximum Buyback Price”), payable in cash (“Buyback”)

- I/We having read and understood the Letter of Offer dated |●| hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share.
- I / We hereby affirm and warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I/We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration will be paid as per secondary market mechanism.
- Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I/We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
- I/We undertake to return to the Company any Buyback consideration that may be wrong fully received by me/us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender/ offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013 and rules made thereunder and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

| | In Figures | In Words |
|---|------------|----------|
| Number of Equity Shares held as on Record Date (●) | | |
| Number of Equity Shares entitled for Buyback (Buyback Entitlement) | | |
| Number of Equity Shares offered for Buyback (including Additional Shares, if any) | | |

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19.7 and 19.8 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

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ACKNOWLEDGEMENT SLIP: NUCLEUS SOFTWARE EXPORTS LIMITED – BUYBACK OFFER - 2021
(To be filled by the Eligible Shareholder) (subject to verification)

| | | | |
|--|--|------------|--|
| Folio No.: | | | |
| Received from Shri./Smt. | | | |
| Form of Acceptance-cum-Acknowledgement, Original TRS along with: | | | |
| No. of Equity Shares offered for Buyback (In Figures) | | (In Words) | |
| STAMP OF BROKER | | | |

Please quote Folio No. for all future correspondence

12. Details of Share Certificate(s) enclosed:.....Total No. of Share Certificate Submitted:.....

| Sr. No. | Folio No. | Share Certificate No. | Distinctive Nos. | | No. of Shares |
|--------------|-----------|-----------------------|------------------|----|---------------|
| | | | From | To | |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| Total | | | | | |

In case the number of folios and Equity Share certificates enclosed exceed four, please attach a separate sheet giving details in the same format as above.

13. Details of other documents (Please ✓ as appropriate, if applicable) enclosed:

| | | | |
|--|--|--|---|
| | Power of Attorney – Nucleus Software Exports Limited | | Previous RBI approvals for acquiring the Equity Shares of Nucleus Software Exports Ltd. tendered in the Buyback |
| | Corporate authorizations | | Death Certificate |
| | Succession Certificate | | Self-attested copy of Permanent Account Number (PAN Card) |
| | TRS | | Others (please specify): |

14. Details of the bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

| Name of the Bank | Branch and City | IFSC and MICR Code | Account Number (indicate type of account) |
|------------------|-----------------|--------------------|---|
| | | | |

15. Equity Shareholders Details:

| | First/Sole Holder | Joint Holder 1 | Joint Holder 2 | Joint Holder 3 |
|--|-------------------|----------------|----------------|----------------|
| Full Name(s) of the Shareholder(s) | | | | |
| Signature(s)* | | | | |
| PAN No. | | | | |
| Address of the Sole/First Equity Shareholder | | | | |
| Telephone No. / Email ID of the Sole/First Equity Shareholder | | | | |

* Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application from submitted.

Applicable for all Non- resident Shareholders-

- I/ We undertake to pay income taxes in India on any income arising on such Buyback in accordance with prevailing income tax laws in India within 7th day of the succeeding month in which the Equity Shares are bought back by the Company. I/ We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me /us.
- I/We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the RBI under FEMA and any other rules and regulations, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

- This Buyback offer will open on [●] and close on [●].
- Eligible Shareholders who wish to tender their Equity Shares in response to this Buyback should submit the following documents to their Shareholder Broker. The Eligible Shareholders / Shareholder Broker in turn would deliver the said documents along with the Transaction Registration Slip (TRS) to the Registrar; the documents should be sent to the Registrar only after the placement of a valid bid; non-submission of the below mentioned documents by [●] on [●] directly to the Registrar shall result in the rejection of the tendered Equity Shares: (i) the Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) original share certificates; (iii) valid share transfer form(s) (Form SH-4) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company/Registrar) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company; (iv) self-attested copy of the Shareholder's PAN Card; (v) any other relevant documents such as (but not limited to (a) duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form; (b) notarized copy of death certificate and succession certificate or probated will, as applicable, if the original Shareholder has deceased; and (c) necessary corporate authorisations, such as board resolutions etc., in case of companies); (vi) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement, but not exceeding the number of Shares held by them as on Record Date.
- Eligible Shareholders should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar, if any person other than the Eligible Shareholder has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any Eligible Shareholder is deceased; and (iii) Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
- In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name, address, folio number, number of Equity Shares held, Equity Share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original Equity Share certificate(s), copy of Eligible Shareholder's PAN card(s) and executed share transfer form in favour of the Company. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents, reach the Registrar to the Buyback latest by [●] by [●].
- In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form should file a copy of the following documents: (i) Approval from the appropriate authority for such merger; (ii) the scheme of merger; and (iii) the requisite form filed with MCA intimating the merger.
- Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholder; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
- The Equity Shares tendered in the buyback shall be rejected if (i) the Shareholder is not a Eligible Shareholder of the Company on the Record Date; (ii) if there is a name mismatch in the share certificate of the Shareholder; or (iii) the documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [●] by [●].
- By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
- All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

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ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

**Investor Service Centre,
NUCLEUS SOFTWARE EXPORTS LIMITED –BUYBACK OFFER – 2021
KFIN TECHNOLOGIES PRIVATE LIMITED**

Address: Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi -500032, Telangana, India
Contact Person: Mr. M Murali Krishna Telephone: +91-4067162222/18003094001 ; Email: nsel.buyback@kfintech.com; einward.ris@kfintech.com ; Website: www.kfintech.com
SEBI Registration No.: INR000000221; Corporate Identity Number: U72400TG2017PTC117649

Form No. SH-4
Securities Transfer Form

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution.....

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L74899DL1989PLC034594

Name of the company (in full): Nucleus Software Exports Limited

Name of the Stock Exchange where the company is listed, if any: BSE Limited and National Stock Exchange of India Limited

DESCRIPTION OF SECURITIES:

| Kind/Class of securities (1) | Nominal value of each unit of security (2) | Amount called up per unit of security (3) | Amount paid up per unit of security (4) |
|---------------------------------|--|---|---|
| Equity Shares | Rs.10.00 | Rs.10.00 | Rs.10.00 |

| No. of Securities being Transferred | | Consideration Received (Rs) | |
|-------------------------------------|----------|-----------------------------|------------|
| In Figures | In Words | In words | In figures |
| | | | |

| Distinctive Number | From | | | | |
|---------------------------------------|------|--|--|--|--|
| | To | | | | |
| Corresponding Certificate Nos: | | | | | |

TRANSFEROR'S PARTICULARS

| | |
|--------------------------------|----------------------|
| Registered Folio Number | |
| Name(s) in full | Signature (s) |
| 1. | |
| 2. | |
| 3. | |

I, hereby confirm that the Transferor has signed before me.

| | |
|---------------------------------|--|
| Signature of the Witness | |
| Name of the Witness | |
| Address of Witness | |

TRANSFEEE'S PARTICULARS

| | |
|---|--|
| | 1 |
| Name in full | Nucleus Software Exports Limited |
| Father's/ Mother's/ Spouse Name | Not Applicable |
| Address, Mobile/Ph. No. E-mail ID | Registered Office: 33-35, Thyagraj Nagar Market, New Delhi – 110003, India Tel.: 120-4031400 E-mail ID: investorrelations@nucleussoftware.com |
| Occupation | Business |
| Existing folio no., if any | |
| Signature | |

Folio No. of Transferee: _____

Specimen Signature of Transferee(s)

1. _____
2. _____
3. _____

Existing Folio No. If any

1. _____
2. _____

Value of stamp affixed: Rs. _____

Enclosures:

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, Letter of allotment.
- (3) Copy of PAN CARD of all the Transferees (For all listed Cos).
- (4) Other, Specify.....

Stamps:

For office use only

Checked by _____
Signature tallied by _____
Entered in the Register of Transfer on _____ **vide Transfer No.** _____
Approval Date _____
Power of attorney/Probate/Death Certificate/Letter of Administration
Registered on _____ **at No.** _____