



**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

**Email:** [investorrelations@nucleussoftware.com](mailto:investorrelations@nucleussoftware.com)

**Website:** [www.nucleussoftware.com](http://www.nucleussoftware.com)

## NOTICE OF POSTAL BALLOT

Dear Shareholders,

Notice is hereby given that pursuant to and in compliance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (**the "Act"**), Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with the General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020 and the General Circular No. 33/2020 dated September 28, 2020, Circular No.39/2020 dated December 31, 2020 and Circular No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs (**"MCA Circulars"**) (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), Secretarial Standard on General Meetings (**"SS-2"**) issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time) and pursuant to other applicable laws and regulations, the resolution appended below for Buyback of Equity Shares of Nucleus Software Exports Limited (**the "Company"**) is proposed for approval of the shareholders of the Company through postal ballot by remote e-Voting process (**"e-Voting"**).

The explanatory statement pursuant to Sections 102, 110 and other applicable provisions, if any, of the Act pertaining to the aforesaid resolution setting out the material facts concerning the Buyback of equity shares and the reasons thereof is annexed hereto for your consideration.

The Board of Directors of the Company, at its meeting held on September 24, 2021, appointed Mr. Devesh Kumar Vasisht (CP No.13700) Partner of M/s Sanjay Grover & Associates, Company Secretaries, as the Scrutinizer for conducting the postal ballot through the e-Voting process in a fair and transparent manner.

In accordance with the provisions of the MCA Circulars, shareholders can vote only through the remote e-Voting process. Accordingly, the Company is pleased to offer a remote e-Voting facility to all its members to cast their votes electronically. Shareholders are requested to read the instructions in the Notes under the section "General information and instruction relating to e-Voting" in this postal ballot notice (**"Postal Ballot Notice"**) to cast their vote electronically. The remote e-Voting period commences from 9:00 A.M. (IST) on Thursday, October 14, 2021 and ends at 5:00 P.M. (IST) on Friday, November 12, 2021. Shareholders are requested to cast their vote through the e-Voting process not later than 05:00 P.M. (IST) on Friday, November 12, 2021 to be eligible for being considered, failing which it will be strictly considered that no vote has been received from the shareholder.

In accordance with the provisions of the MCA Circulars, the Company has made arrangements for the shareholders to register their e-mail addresses. Therefore, those shareholders who have not yet registered their e-mail addresses are requested to register the same by following the procedure set out in the notes to this Postal Ballot Notice.

The Scrutinizer will submit his report to the Chairman of the Company or any other Director/person of the Company as authorised by the Board, after completion of scrutiny of the e-Voting. The results shall be declared on or before 5:00 P.M. (IST), Tuesday, November 16, 2021 and communicated to BSE Limited (**"BSE"**), National Stock Exchange of India Limited (**"NSE"**) (together the "Stock Exchanges"), National Securities Depository Limited (**"NSDL"**) and Central Depository Services (India) Limited (**"CDSL"**) (together the "Depositories"), KFin Technologies Private Limited (**"KTPL"** or **"Registrar and Share Transfer Agent"**) and will also be displayed on the Company's website [www.nucleussoftware.com](http://www.nucleussoftware.com).

### Resolution :

#### Approval for Buyback of Equity Shares

*To consider and, if thought fit, to pass the following resolution as a Special Resolution:*

**"RESOLVED THAT** pursuant to the provisions of Article 57 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 110 and 179 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (**the "Companies Act"**), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and

Administration) Rules, 2014, to the extent applicable and in compliance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the “**Buyback Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments, statutory modifications or re-enactments for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary 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 of Directors of the Company (hereinafter referred to as the “**Board**”, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) and on the terms and conditions set out in the explanatory statement approval of the shareholders be and is hereby accorded for the Buyback by the Company of up-to 22,67,400 (Twenty Two Lakh Sixty Seven Thousand Four Hundred) fully paid-up equity shares of Rs. 10/- (Rupees Ten Only) each of the Company (“**Equity Shares**”) representing 7.81% of the Total Paid-up Equity Share capital of the Company at a price of **Rs. 700/-** (Rupees Seven Hundred Only) per Equity Share (“**Maximum Buyback Price**”) payable in cash for an aggregate amount not exceeding **Rs. 158,71,80,000/-** (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only) (“**Maximum Buyback Offer Size**”), excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India (“**SEBI**”), advisors/legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses etc., which represents 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 shareholders who hold Equity Shares as of the Record Date (as defined in the Buyback Regulations).

**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 on the Record Date, except the Promoters & Promoter Group who have intimated not to participate in the proposed Buyback;

**RESOLVED FURTHER THAT** as prescribed under Regulation 6 of the Buyback Regulations, the Company shall Buyback 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 Buyback 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** the Company shall implement the Buyback using the “**Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offer under Takeovers, Buyback and Delisting**” 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 dated August 13, 2021, including any amendments or statutory modifications for the time being in force.

**RESOLVED FURTHER THAT** the Buyback from the shareholders who are residents outside India including Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies), Foreign Institutional Investors/Foreign Portfolio Investors, Non-Resident Indians, shareholders of foreign nationality, shall be subject to such approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India (“**RBI**”) under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder and that such approvals shall be required to be taken by such non-resident shareholders.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Director(s) / Officer(s) /Authorized Representative(s)/ Committee (“**Buyback Committee**”) of the Company in order to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buyback like record date, entitlement ratio, determination of the Buyback Size on a consolidated basis, time frame for opening date and completion of Buyback; appointment of merchant banker, brokers, lawyers, depository participants, advertising agencies, escrow agents, bankers, advisors, registrars, scrutinizers, consultants/intermediaries/agencies, as may be required, for the implementation of the Buyback; preparing, finalizing, signing and filing of the public announcement, the draft letter of offer/letter of offer with SEBI, the concerned Registrar of Companies, the Stock Exchanges where the Equity Shares are listed and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the SEBI and RBI; and initiating all necessary actions for preparation and issue of various documents including public announcement, draft letter of offer, letter of offer, opening, operation and closure of necessary accounts including escrow account, special payment account with the bank, entering into escrow agreements as required under the Buyback Regulations, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, approving the split of physical share certificates and transfer of shares, extinguishing dematerialized shares and physically destroying share certificates in respect of the

Equity Shares bought back by the Company, and filing such other undertakings, agreements, papers, documents and correspondence, under the common seal of the Company, as may be required to be filed in connection with the Buyback with SEBI, RBI, Stock Exchanges, Registrar of Companies, Depositories and/or other regulators and statutory authorities as may be required from time to time.

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

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board/ the Committee is hereby empowered and authorised on behalf of the Company to accept and make any alteration(s) or 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 the Board and/or any person authorised by the Board may, in its/his/her 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 shareholders 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.”

**By Order of the Board  
Nucleus Software Exports Limited**

**Date: October 12, 2021**

**Place: Noida**

**Poonam Bhasin  
(Company Secretary & Compliance Officer)**

**Notes:**

1. The explanatory statement pursuant to Sections 102 and 110 of the Act read with Rules stating all material facts and the reasons for the proposal is annexed herewith. It also contains all the disclosures as specified in the Buyback Regulations.
2. The Postal Ballot Notice is being sent to the shareholders of the Company whose names appear on the Register of Members/List of Beneficial Owners as received from the Depositories as on Friday, October 8, 2021
3. In line with the MCA Circulars, the Postal Ballot Notice is being sent only by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may please note that the Postal Ballot Notice will also be available on the Company's website at [www.nucleussoftware.com](http://www.nucleussoftware.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) & National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com), and on the website of KFin Technologies Private Limited at <https://evoting.kfintech.com/>
4. Members who have not registered their e-mail address are requested to register in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, Selenium, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500032. In accordance with the provisions of the MCA Circulars, Shareholders can vote only through the remote e-Voting process. Shareholders whose names appear on the Register of Members/List of Beneficial Owners as on October 8, 2021 will be considered for the purpose of e-Voting.
5. Resolutions passed by the shareholders through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the shareholders.
6. The voting rights for Equity Shares are one vote per Equity Share, registered in the name of the members. Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the shareholders as on October 8, 2021. A person who is not a shareholder on the relevant date should treat this notice for information purpose only.
7. In compliance with Sections 108 and 110 of the Act and the rules made there under, the MCA Circulars and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility to the shareholders to exercise their votes electronically and vote on the resolutions through the e-voting service facility arranged by KFinTech. The instructions for e-Voting are provided as part of this Postal Ballot Notice.
8. Shareholders desiring to exercise their vote through the e-Voting process are requested to read the instructions in the Notes under the section “General information and instruction relating to e-Voting” in this Postal Ballot Notice. Shareholders are requested to cast their vote through the e-Voting process not later than 5:00 p.m. IST on November

12, 2021 to be eligible for being considered, failing which it will be strictly considered that no vote has been received from the shareholder.

9. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer.
10. The Scrutinizer will submit his report to the Chairman or any other Director/person of the Company as authorised by the Board after the completion of scrutiny, and the result of the voting by postal ballot through the e-Voting process will be announced by the Chairman or any Director of the Company duly authorised, on or before 5:00 P.M., November 16, 2021 and will also be displayed on the website of the Company ([www.nucleussoftware.com](http://www.nucleussoftware.com)), besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.
11. The resolutions, if passed by the requisite majority shall be deemed to have been passed on November 12, 2021 i.e., the last date specified for receipt of votes through the e-Voting process.
12. All the material documents referred to in the explanatory statement will be available for inspection electronically until the last date for receipt of votes through the e-Voting process.

### **General information and instructions relating to e-Voting**

#### **PROCEDURE FOR REMOTE E-VOTING**

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech , on the resolution set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting period commences on October 14, 2021 (9:00 a.m. IST) and ends on November 12, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, October 8, 2021 i.e. cut-off date, may cast their vote electronically. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- v. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the Record date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com). However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vi. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the Record date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”
- vii. The details of the process and manner for remote e-Voting are explained herein below:

**Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Details on Step 1 are mentioned below:

**I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDeAS facility:</b></p> <ul style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a></li> <li>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ul> <p><b>2. User not registered for IDeAS e-Services</b></p> <ul style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a></li> <li>II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in points 1</li> </ul> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <ul style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a></li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech.</li> <li>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ul>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ul style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or</li> <li>II. URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>III. Click on New System Myeasi</li> <li>IV. Login with your registered user id and password.</li> <li>V. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</li> <li>VI. Click on e-Voting service provider name to cast your vote.</li> </ul> <p><b>2. User not registered for Easi/Easiest</b></p> <ul style="list-style-type: none"> <li>I. Option to register is available at</li> <li>II. <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow the steps given in point 1</li> </ul> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ul style="list-style-type: none"> <li>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide your demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP, i.e. <b>KFintech</b> where the e- Voting is in progress.</li> </ul>

Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider –<b>Kfintech</b> and you will be redirected to e-Voting website of <b>KFintech</b> for casting your vote during the remote e-Voting period without any further authentication.</p>
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**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b>

**Details on Step 2 are mentioned below:**

**II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of e-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e. 6341" and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".

- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (B) Members whose email IDs are not registered with the Company/Depository Participant(s), and consequently the Postal ballot Notice and e-Voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Postal Ballot Notice and e-Voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with Kfintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-Voting instructions along with the User ID and Password. In case of any queries, member may write to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).
  - ii. After receiving the e-Voting instructions, please follow all steps above to cast your vote by electronic means.

### **EXPLANATORY STATEMENT**

*Pursuant to Sections 102 and 110 of the Companies Act, 2013*

#### **Approval for Buyback of Equity Shares**

The Board of Directors of the Company at its meeting held on Friday, September 24, 2021 (“**Board Meeting**”) has, subject to the approval of the shareholders of the Company by way of special resolution through postal ballot by remote e-Voting and subject to such approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the Buyback of fully paid-up Equity Shares of face value of Rs. 10/- (Rupees Ten only) each (“**Equity Shares**”) up-to 22,67,400 (Twenty Two Lakh Sixty Seven Thousand and Four Hundred) Equity Shares, on a proportionate basis through the Tender Offer Route through the Stock Exchange mechanism in accordance with the Companies Act, 2013 (**the “Act”**), applicable provisions of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rules**”) (to the extent applicable), the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended from time to time, (**the “Buyback Regulations”**), read with the Securities and Exchange Board of India 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 dated August 13, 2021, as amended from time to time, (“SEBI Circulars”), at a price of **Rs. 700/-** (Rupees Seven Hundred Only) (**Maximum Buyback Price**) per Equity Share payable in cash for an aggregate consideration of **up-to Rs. 158,71,80,000/-** (Rupees One Hundred Fifty-Eight Crore Seventy One Lakh Eighty Thousand Only) (“**Maximum Offer Size**”) excluding transaction costs viz. brokerage, applicable taxes such as Buyback tax, securities transaction tax, 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. (**the “Buyback”**).

The Buyback is within 25% 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 as at March 31, 2021 (the latest audited standalone and audited consolidated balance sheet available as on the date of Board Meeting recommending the proposal of the Buyback). The Offer Size of the Buyback constitutes 24.90% and 24.01% of the aggregate of the 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, and represents 7.81% of the total issued and paid-up equity share capital of the Company.

Since the Buyback constitutes more than 10% of the total paid-up equity capital and free reserves of the Company, in terms of Section 68(2)(b) of the Act, it is required to obtain the consent of the shareholders of the Company, for the Buyback by way of a special resolution. Further, as per Section 110 of the Act read with Rule 22(16)(g) of the Rules, the consent of the shareholders of the Company to the Buyback shall be obtained by means of postal ballot. Pursuant to General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020 and the General Circular No. 33/2020 dated September 28, 2020, Circular no. No.39/2020 dated December 31, 2020 & Circular No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs (“MCA Circulars”) (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time), and pursuant to other applicable laws and regulations, the Company is seeking your consent for the aforesaid proposal as contained in the resolution appended to this Postal Ballot Notice through postal ballot by remote e-Voting process (“e-Voting”), by way of a Special Resolution.

*Certain figures contained in this Postal Ballot Notice, 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.*

**Requisite details and material information relating to the Buyback are given below:**

**a. Date of the Board Meeting at which the proposal for Buyback was approved by the Board of Directors of the Company:** Friday, September 24, 2021.

**b. Necessity for 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.

**c. Maximum amount required under the Buyback and its percentage of the total paid up capital and free reserves**

The maximum amount required for Buyback will not exceed Rs. 158,71,80,000/- (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only), excluding transaction costs viz. brokerage, applicable taxes such as Buyback tax, securities transaction tax, 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.

The maximum amount mentioned aforesaid represents 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, which is within the prescribed limit of 25%.

The funds for the implementation of the proposed Buyback will be sourced out of the Free Reserves, Securities Premium Account or such other source as may be permitted by the Buyback Regulations or the Act. The Company shall transfer from its free reserves and surplus, a sum equal to the nominal value of the equity shares so bought back to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statements.

The Company confirms that as required under Section 68(2) (d) of the Companies Act and Regulation 4(ii) of the Buyback Regulations, 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.

**d. Maximum Buyback price and the basis of arriving at the Buyback price**

The Equity Shares of the Company are proposed to be bought back at a price of Rs.700/- (Rupees Seven Hundred Only) per Equity Share (the "**Maximum Offer Price**"). The Maximum Buyback Price of Rs.700/- (Rupees Seven Hundred Only) per Equity Share 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.

I. The Maximum Buyback Price represents a premium of 32.35% over the closing market price of the Equity Shares as on the date of intimation of the Board Meeting for considering the Buyback.

II. 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.

III. 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.

**e. Maximum number of securities that the Company proposes to Buyback**

The Company proposes to Buyback up-to 22,67,400 (Twenty Two Lakh Sixty Seven Thousand and Four Hundred) fully paid-up Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each, which represents 7.81% of the total number of Equity Shares of the Company.

**f. Method to be adopted for the Buyback**

The Buyback shall be on a proportionate basis through the tender offer route, as prescribed under the Buyback Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchange

pursuant to Tender-Offers under Takeovers Buyback and Delisting” as prescribed under the SEBI Circulars. The Buyback will be implemented in accordance with the Act, Rules, to the extent applicable, the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date for the Buyback for determining the names of the shareholders holding Equity Shares of the Company who will be eligible to participate in the Buyback (“Eligible Shareholder(s)”). Subject to the approval of the special resolution under this Postal Ballot Notice and subject to SEBI’s comments on the draft letter of offer. Eligible Shareholders will receive a letter of offer along with a tender/offer form indicating their entitlement.

The Equity Shares to be bought back is divided in two categories:

- (i) Reserved category for small shareholders; and
- (ii) General category for all other shareholders.

As defined in Regulation 2(i)(n) of the Buyback Regulations, a “small shareholder” is a shareholder who holds equity shares having market value, on the basis of closing price on Stock Exchange having highest trading volume as on record date, of not more than Rs. 2,00,000/- (Rupees Two Lakhs only).

In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to Buyback or such number of Equity Shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.

Based on the holding on the record date, the Company will determine the entitlement of each Eligible Shareholder to tender their shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the record date and the ratio of the Buyback applicable in the category to which such shareholder belongs. 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 Permanent Account Number (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 and Transfer Agent as per the shareholder records received from the Depositories.

Shareholders’ participation in Buyback will be 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 shareholders, if any.

The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the record date.

The Equity Shares tendered as per the entitlement by Eligible Shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in the Buyback Regulations. The settlement of the tenders under the Buyback will be done using the “Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers Buyback and Delisting” notified under the SEBI Circulars.

Participation in the Buyback by shareholders may trigger tax on distributed income to shareholders (hereinafter referred to as “Buyback Tax”) in India and such tax is to be discharged by the Company. Any income received by Eligible Shareholders pursuant to the Buyback of shares will not be included in the total taxable income of such shareholders. The transaction of Buyback would also be chargeable to securities transaction tax in India. The shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the letter of offer to be sent to the Eligible Shareholder(s).

**g. Time limit for completing the Buyback**

Subject to receipt of regulatory consents and approvals, if any, the Buyback is proposed to be completed within One year from the date of passing of special resolution detailed in this Postal Ballot Notice.

**h. Compliance with Section 68(2)(c) of the Act**

The aggregate paid-up share capital and free reserves as per the latest audited standalone balance sheet and audited consolidated balance sheet of the Company as at March 31, 2021 is Rs.637,42,16,565/- (Rupees Six Hundred Thirty Seven Crore Forty Two Lakh Sixteen Thousand Five Hundred and Sixty Five Only) and Rs.660,92,77,844/- (Rupees Six Hundred Sixty Crore Ninety Two Lakh Seventy Seven Thousand Eight Hundred and Forty Four Only) respectively. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the fully paid-up share capital and free reserves of the Company i.e., Rs. 159,35,54,141.25/- (Rupees One Hundred Fifty Nine Crore Thirty Five Lakh Fifty Four Thousand One Hundred and Forty One and Twenty Five Paise Only).

The maximum amount proposed to be utilized for the Buyback, does not exceed Rs. 158,71,80,000/- (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only) and is therefore within the limit of 25% of the Company's fully paid-up share capital and free reserves as per the latest audited standalone and audited consolidated balance sheet of the Company as at March 31, 2021 (the latest audited standalone and consolidated balance sheet available as on the date of Board Meeting recommending the proposal for the Buyback).

**i. Details of holding and transactions in the shares of the Company**

The aggregate shareholding of the (i) promoter and promoter group of the Company ("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 this Postal Ballot Notice, i.e., October 12, 2021, are as follows:

(i) Aggregate shareholding of the Promoter and Promoter Group and persons who are in control as on the date of this Postal Ballot Notice, i.e., October 12, 2021:

Sl. 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.	Ms. Ritika Dusad	10,00,000	3.44
4.	Ms. Kritika Dusad	10,00,000	3.44
5.	Karmayogi Holdings Private Ltd	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
	<b>TOTAL</b>	<b>1,96,27,866</b>	<b>67.59</b>

(ii) Aggregate shareholding of the Directors of companies who are a part of the Promoter and Promoter Group, as on the date of this Postal Ballot Notice, i.e., October 12, 2021:

Sl. No.	Name	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.	Ms. 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 this Postal Ballot Notice, i.e., October 12, 2021:

Sl. 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

- (iv) Aggregate shares purchased or sold by the Promoter and Promoter Group, persons in control, Directors of companies which are a part of the Promoter and Promoter Group and Directors and Key Managerial Personnel of the Company during a period of six months preceding the date of the Board Meeting at which the Buyback was approved and the date of this Postal Ballot Notice, i.e., October 12, 2021:

- (a) Aggregate number of shares purchased or sold by the Promoter and Promoter Group and persons who are in control : Nil
- (b) Aggregate shares purchased or sold by the Directors of companies which are part of the Promoter and Promoter Group : Nil
- (c) Aggregate shares purchased or sold by the Directors and Key Managerial Personnel of the Company : Nil

- (v) The maximum and minimum price at which purchases and sales referred above were made along with the relevant dates : NA

**j. Intention of Promoter and Promoter Group and persons in control of the Company to participate in the Buyback**

In terms of the Buyback Regulations, under the tender offer route, the Promoter and Promoter Group have an option to participate in the Buyback. In this regard, following persons belonging to the Promoter and Promoter Group entities and persons in control of the Company have expressed their intention to participate in the Buyback vide their letters dated September 23 and September 24, 2021 and may tender up to an aggregate maximum of 1,08,710 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations. Please see below the maximum number of Equity Shares to be tendered by each of the Promoter and Promoter Group as well as persons in control of the Company:

Sl. No.	Name of the Promoter & Promoter Group	Maximum No. of Equity Shares intended to be offered
1.	Card Systems Private Limited	12,000
2.	Mr. Naveen Kumar	72,952
3.	Ms. Suman Mathur	23,758
	<b>Total</b>	<b>1,08,710</b>

The following persons belonging to the Promoter and Promoter Group entities and persons in control of the Company have, vide their letters dated September 22, 2021, September 23, 2021 and September 24, 2021, expressed their intention to not to participate in the Buyback:

Sl. No.	Name of the Promoter & Promoter Group
1.	Mr. Vishnu R Dusad
2.	Karmayogi Holdings Private Ltd
3.	Ms. Madhu Dusad
4.	Ms. Ritika Dusad
5.	Ms. Kritika Dusad
6.	Mr. Yogesh Andlay
7.	Nucleus Software Workshop Private Limited
8.	Nucleus Software Engineers Pvt Ltd

The Buyback will not result in any benefit to the Promoter and Promoter Group or any Directors 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 Buyback.

**The 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:**

1. Card Systems Private Limited\*

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

2. Mr. Naveen Kumar\*

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

3. Ms. Suman Mathur\*

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	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
<b>Total</b>		<b>23,758</b>			

\*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.

**k. No defaults:**

The Company confirms that there are no defaults subsisting in the repayment of any deposits (including interest payable thereon), redemption of debentures or preference shares, payment of dividend or repayment of any term loans to any financial institution or banks (including interest payable thereon);

**l. Confirmations from Company as per the provisions of Buyback Regulations and Act**

- (i) all the Equity Shares of the Company are fully paid-up;
- (ii) the Company shall not issue any Equity Shares or specified securities including by way of bonus, from the date of declaration of results of the postal ballot for special resolution passed by the shareholders approving the proposed Buyback until the date of expiry of the Buyback period;
- (iii) except in discharge of its subsisting obligations, the Company shall not raise further capital for a period of six months or one year from the expiry of the Buyback period, as may be applicable in accordance with the Buyback Regulations or any circulars or notifications issued by SEBI in connection therewith;
- (iv) the Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or till the Equity Shares become transferable;
- (v) the Company shall not Buyback its Equity 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;
- (vi) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- (vii) the aggregate amount of the Buyback i.e. up to Rs. 158,71,80,000/- (Rupees One Hundred Fifty Eight Crore Seventy One Lakh Eighty Thousand Only) does not exceed 25% of the aggregate of the total paid-up capital and free reserves of the Company as per the latest audited standalone and consolidated balance sheet of the Company as at March 31, 2021;

- (viii) the maximum number of Equity Shares proposed to be purchased under the Buyback (up to 22,67,400 Equity Shares), does not exceed 25% of the total number of Equity Shares in the paid-up Equity Share capital as per the latest audited balance sheet of the Company as at March 31, 2021;
- (ix) the Company shall not make any offer of Buyback within a period of one year reckoned from the date of expiry of the Buyback period;
- (x) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- (xi) 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 based on audited standalone as well as audited consolidated financial statements of the Company; and
- (xii) the Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies.

**m. Confirmations from the Board**

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- (i) that immediately following the date on which the meeting of the Board of Directors is convened, i.e., September 24, 2021 or following the date on which the result of shareholders' resolution will be declared ("Postal Ballot Resolution"), approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;
- (ii) that as regards the Company's prospects for the year immediately following the date on which the meeting of the Board of Directors is convened, i.e., September 24, 2021 or the Postal Ballot Resolution that, having regard to the Board's intention with respect to the management of 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. September 24, 2021 or the Postal Ballot Resolution; and
- (iii) in forming an opinion for the above purposes, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act 1956, Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

**n. Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by Directors regarding insolvency:**

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), the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

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

**Dear Sir/ Madam,**

**INDEPENDENT AUDITOR'S REPORT ON BUYBACK 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 Buyback 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:
  - i. 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;
  - ii. if the amount of the permissible capital payment for the proposed Buyback of equity shares is properly determined considering the audited standalone and consolidated financial statements for the year ended 31 March 2021; and
  - iii. 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:
  - i. 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;
  - ii. Examined authorization for Buyback from the Articles of Association of the Company;
  - iii. Examined that the amount of permissible capital payment for the Buyback 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;
  - iv. 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 Buyback;
  - v. Examined that all shares for Buyback are fully paid-up;
  - vi. Read the resolutions passed in the meetings of the Board of Directors.
  - vii. 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:
- i. 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.
  - ii. 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.
  - iii. 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 Buyback 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 Buyback 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**

Place: New Delhi  
Date: 24 September 2021

**Membership Number: 098652**  
**UDIN: 21098652AAAABN3880**

**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
<b>Total</b>	<b>A+B</b>	<b>63,743</b>	<b>66,093</b>
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 includes Rs. 15,000 in respect of 2,800 forfeited shares pending reissue.

**o. Other disclosures**

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its shareholders holding Equity Shares of the Company. The Directors, therefore, recommend the special resolution as set out at above resolution for approval by the shareholders.

None of the Directors or any Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested financially or otherwise, either directly or indirectly in passing of the said resolution, save and except to the extent of their respective interest as shareholders of the Company.

**By Order of the Board  
For Nucleus Software Exports Limited**

**Date: October 12, 2021**  
**Place: Noida**

**Poonam Bhasin**  
**(Company Secretary and Compliance Office)**