

**DRAFT LETTER OF OFFER**  
**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Letter of Offer is being sent to you, being an Eligible Shareholder of Nucleus Software Exports Limited (the “Company”) as on Record Date in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended. If you require any clarifications regarding, the actions to be taken, you may consult your stock broker or investment consultant or the Manager or the Registrar to the Buyback Offer. Please refer to the section on “Key Definitions” for definition of the capitalized terms used herein.



**Nucleus Software Exports Limited**

(CIN: L74899DL1989PLC034594)

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**Contact Person:** Ms. Poonam Bhasin, Company Secretary and Compliance Officer

**OFFER TO BUY BACK FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10 (RUPEE TEN RUPEES ONLY) EACH OF NUCLEUS SOFTWARE EXPORTS LIMITED UP TO 33,43,000 (THIRTY THREE LAKHS FORTY THREE THOUSAND ) EQUITY SHARES FROM THE EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES AS ON JUNE 30, 2017 (THE “RECORD DATE”), ON A PROPORTIONATE BASIS BY WAY OF A TENDER OFFER ROUTE THROUGH STOCK EXCHANGE MECHANISM AT A PRICE OF ₹ 350 (RUPEES THREE HUNDRED AND FIFTY ONLY) PER EQUITY SHARE PAYABLE IN CASH FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING ₹ 117,00,50,000 (RUPEES ONE HUNDRED SEVENTEEN CRORES AND FIFTY THOUSAND ONLY) PAYABLE IN CASH.**

- The Buyback is being undertaken by the Company in accordance with Article 57 of the Articles of Association of the Company, the provisions of Sections 68, 69, 70, 110, 179 and other applicable provisions of the Companies Act, 2013 (“Act”), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 (“Rules”) and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the “SEBI Buyback Regulations”). The Buyback is further subject to approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications, if any, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to Securities and Exchange Board of India (“SEBI”) and the stock exchanges where the Equity Shares of the Company are listed i.e. the BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (collectively, “Stock Exchanges”).
- The Buyback size represents up to 24.83% of the aggregate paid-up equity capital and free reserves of the Company as per the audited accounts of the Company for the Financial Year ended March 31, 2017 (the last audited financial statements available as on the date of the Board meeting recommending the proposal of the Buyback) and is within the statutory limits of 25% of the fully paid-up equity capital and free reserves as per the last Audited Standalone Financial Statements of the Company.
- This Letter of Offer is sent to the Equity Shareholders/Beneficial Owners holding equity shares of the Company as on the Record Date, i.e. Friday, June 30, 2017 (Eligible Shareholders)
- A copy of the Public Announcement, Draft Letter of Offer and Letter of Offer (including the Tender Form(s)) shall be available on the website of the Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in).
- For the procedure for acceptance and tender of Equity Shares as well as for mode of payment of consideration to Eligible Shareholders, please see the section entitled “Procedure for Tender Offer and Settlement” on page 29 of this Draft Letter of Offer. The Tender Form(s) is enclosed with this Draft Letter of Offer.
- Eligible Shareholders are advised to refer to the sections entitled “Details of Statutory Approvals” and “Note on Taxation” on pages 24 and 36 respectively, of this Draft Letter of Offer, before tendering their Equity Shares in the Buyback.

**Buyback opens on: [●]**

**Buyback closes on : [●]**

**Last date/ time for receipt of the completed Tender Offer Form and other specified documents including physical share certificates by the Registrar: [●], [●]**

<b>Manager to the Offer</b>		<b>Registrar to the Offer</b>	
	<b>SPA Capital Advisors Limited</b> SEBI Regn. No.: INM000010825 25, C - Block, Community Centre JanakPuri, New Delhi - 110 058 Tel. No. +91 11 2551 7371, 4567 5500 Fax No. +91 11 2553 2644 Email: <a href="mailto:nucleus.buyback@spagroupindia.com">nucleus.buyback@spagroupindia.com</a> Investor Grievance e-mail id: <a href="mailto:grievances.mb@spagroupindia.com">grievances.mb@spagroupindia.com</a> Website: <a href="http://www.spacapital.com">www.spacapital.com</a> Contact Person: Anchal Lohia		<b>Karvy Computershare Private Limited</b> SEBI Regn. No.: INR000000221 Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Seriligampally Mandal, Hyderabad-500 032 Tel: 040 – 23420815-18 Fax: 040 - 23420814 Email: <a href="mailto:murali.m@karvy.com">murali.m@karvy.com</a> Website: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a> Contact Person: Mr. M. Murali Krishna

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1. **SCHEDULE OF ACTIVITIES**

<b>Particulars</b>	<b>Date</b>	<b>Day</b>
Date of Board Meeting approving the proposal of Buyback of Equity Shares	April 25, 2017	Tuesday
Date on which the result of the Postal Ballot through which the Shareholders approved the Buyback was declared	June 15, 2017	Thursday
Date of publication of the Public Announcement for the Buyback	June 19, 2017	Monday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	June 30, 2017	Friday
Date of Opening of the Buyback	[●]	[●]
Date of Closing of the Buyback	[●]	[●]
Last date of receipt of the completed Tender Forms and other specified documents including physical Equity Share Certificates,( if and as applicable) by the Registrar	[●]	[●]
Last date of verification of Tender Forms by the Registrar	[●]	[●]
Last date of intimation regarding acceptance or non-acceptance of tendered Equity Shares by the Registrar	[●]	[●]
Last date for settlement of bids on the Stock Exchanges	[●]	[●]
Last date of dispatch of consideration / share certificate(s) by Registrar / payment to shareholders / return of unaccepted demat shares by Stock Exchange to Eligible Shareholders	[●]	[●]
Last date of extinguishment of Equity Shares	[●]	[●]

2. **KEY DEFINITIONS**

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, 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.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI Buyback Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.

<b>Act / Companies Act</b>	The Companies Act, 2013, as amended and applicable rules thereunder
<b>Acceptance</b>	Acceptance of fully paid Equity Shares tendered by Eligible Shareholders in the Buyback Offer
<b>Acquisition Window</b>	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange, i.e BSE Limited in the form of a separate window in accordance with the SEBI Circular
<b>Additional Equity Shares or Additional Shares</b>	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder
<b>Articles /AOA</b>	Articles of Association of the Company
<b>Board/ Board of Directors</b>	The Board of Directors of the Company
<b>Board Meeting</b>	Meeting of the Board of Directors held on April 25, 2017 approving the proposal for the Buyback Offer
<b>BSE</b>	BSE Limited

<b>Buyback / Buyback Offer / Offer</b>	Offer by Nucleus Software Exports Limited to Buyback upto 33,43,000 (Thirty Three Lakhs Forty Three Thousand) fully paid-up Equity Shares of face value Rs. 10/- each of the Company at a price of Rs. 350/- (Rupees Three Hundred and Fifty Only) per Equity Share for an aggregate amount of up to Rs. 117,00,50,000/- (Rupees One Hundred and Seventeen Crore and Fifty Thousand Only), in accordance with the Regulations and relevant provisions of the Act by way of a Tender Offer through the stock exchange mechanism
<b>Buyback Committee</b>	The Buyback Committee of the Board of Directors, constituted and authorized for the purposes of the Buyback by way of a resolution of the Board of Directors meeting dated April 25, 2017
<b>Buyback Entitlement or Entitlement</b>	The number of Equity Shares that an Eligible Shareholder is entitled to tender, in the Buyback offer, based on the number of Equity Shares held by such Eligible Shareholder, on the Record Date and the ratio of Buyback applicable to such Eligible Shareholder
<b>Buyback Price</b>	Price at which Equity Shares will be bought back from the Equity Shareholders i.e. Rs. 350/- (Rupees Three Hundred and Fifty Only) per Equity Share fully paid up, payable in cash
<b>Buyer's Broker/Company's Broker/</b>	SPA Securities Limited
<b>SEBI Buyback Regulations/Buyback Regulations</b>	The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 including any amendments, statutory modifications or re-enactments thereof, for the time being in force and the SEBI Circular
<b>CDSL</b>	Central Depository Services (India) Limited
<b>Clearing Corporation</b>	Indian Clearing Corporation Limited
<b>Company</b>	Nucleus Software Exports Limited
<b>Company Demat Account</b>	The depository account entitled "Nucleus Software Exports Limited" opened by the Company
<b>DP</b>	Depository Participant
<b>DIN</b>	Director Identification Number
<b>Depositories</b>	NSDL and CDSL collectively
<b>Designated Stock Exchange</b>	The designated stock exchange for the Buyback is BSE
<b>Director(s)</b>	Director(s) of the Company
<b>Draft Letter of Offer</b>	The Draft Letter of Offer dated June 23, 2017 filed with SEBI
<b>Eligible Shareholder or Eligible Person(s)</b>	All Person(s)/shareholders(registered and unregistered) / beneficial owners of shares holding Equity shares as on record date and who are eligible to participate in the Buyback
<b>Equity Shares / Shares</b>	Fully paid-up equity shares of the Company each having a face value of Rs.10/- (Rupees Ten Only) each.
<b>Escrow Account</b>	The Escrow Account titled "Nucleus Software Exports Limited- Buy Back Escrow Account" opened with the Escrow Agent
<b>Escrow Agent</b>	Yes Bank Limited
<b>Escrow Agreement</b>	The Escrow Agreement dated June 22, 2017 entered into between the Company, the Manager and the Escrow Agent
<b>FEMA</b>	Foreign Exchange Management Act, 1999
<b>FIIIs</b>	Foreign Institutional Investors
<b>FPIs</b>	Foreign Portfolio Investors
<b>HUF</b>	Hindu Undivided Family
<b>IT Act</b>	Income-tax Act, 1961, as amended
<b>Letter of Offer</b>	The Letter of offer dated [●], 2017 containing disclosures in relation to the Buyback as specified in the SEBI Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer
<b>Manager to the Offer</b>	SPA Capital Advisors Limited

<b>Management Rules</b>	Companies ( Management and Administration) Rules 2014
<b>NRI/ Non Resident Indian</b>	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
<b>NSDL</b>	National Securities Depository Limited
<b>NSE</b>	National Stock Exchange of India Limited
<b>Offer Size</b>	Maximum number of Equity shares proposed to be bought back (i.e. 33,43,000 Equity shares) multiplied by the Buyback Offer price (i.e. Rs. 350/- per Equity Share), not exceeding Rs. 117,00,50,000 (Rupees One Hundred Seventeen Crores and Fifty Thousand only)
<b>Public Announcement</b>	The public announcement, made in accordance with the SEBI Buyback Regulations, dated June 17, 2017, published in all editions of the Business Standard (English and Hindi national daily) on June 19, 2017 each with wide circulation
<b>Promoter/ Promoter Group</b>	PROMTER- Vishnu R Dusad and Yogesh Andlay, PROMTER GROUP- Karmayogi Holdings Private Limited, Madhu Dusad Ritika Dusad, Kritika Dusad Card Systems Private Limited, Nucleus Software Workshop Private Limited, Nucleus Software Engineers Private Limited, Karmayogi Holdings Private Limited, Naveen Kumar, Suman Mathur
<b>Ratio of Buyback</b>	The ratio of the Buyback: (i) in case of Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Eligible Shareholder on the Record Date
<b>RBI</b>	The Reserve Bank of India
<b>Record Date</b>	Friday, June 30,2017
<b>Registrar to the offer</b>	Karvy Computershare Private Limited
<b>Share Capital Rules</b>	Companies (Share Capital and Debentures) Rules, 2014
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEBI Circular</b>	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with CFD/DCR2/CIR/P/2016/131dated December 09, 2016.
<b>Shareholders</b>	Holders of Equity Shares and includes beneficial owners thereof
<b>Shareholder's Broker</b>	A Stock Broker of an Eligible Shareholder through whom the Eligible Shareholder wants to participate in the Buyback
<b>Small Shareholder</b>	'Small Shareholder' means a shareholder of a listed company, who holds shares or other specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognized stock exchange in which highest trading volume in respect of such security, as on record date is not more than Rs. 200,000/- (Rupees Two Lakh Only).
<b>Stock Exchanges</b>	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
<b>Takeover Regulations</b>	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

<b>Tender Offer</b>	Method of Buyback as defined in Regulation 2(1)(o) of the SEBI Buyback Regulations
<b>Tender Offer Form / Form of Acceptance</b>	The form to be filled in by the Shareholders to participate in the Buyback.
<b>Tendering Period</b>	Period of 10(ten) Working days from the Buyback Opening date till the Buyback Closing Date (Both days inclusive).
<b>TRS</b>	Transaction Registration Slip
<b>Working Day</b>	Working day as defined under the Buyback Regulations.

### 3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to Securities and Exchange Board of India (“SEBI”). It is to be distinctly understood that submission of the Draft Letter of Offer with 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 the Draft Letter of Offer. The Manager to the Buyback Offer, SPA Capital Advisors Limited has certified that the disclosures made in the Draft Letter of Offer are generally adequate and are in conformity with the provisions of Companies Act and the SEBI Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their 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 the Draft Letter of Offer, the Manager to the Buyback offer 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, Manager to the Buyback offer, SPA Capital Advisors Limited has furnished to SEBI a due diligence certificate dated June 23, 2017 in accordance with the SEBI 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 and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:**

- **The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback;**
- **All the legal requirements connected with the said offer including the SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;**
- **The disclosures in the Public Announcement and the Draft Letter of Offer 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;**
- **Funds used for Buyback shall be as per the provisions of the Companies Act.”**

The filing of the Draft Letter of Offer 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 Promoters / Directors of the Company declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / 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 a mis-statement / mis-representation, the Promoters / Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 and the SEBI Buyback Regulations.

The Promoters / Directors also declare and confirm that funds borrowed from banks and / or financial institutions will not be used for the Buyback.

### **Disclaimer for U.S. Persons**

The information contained in this Draft Letter of Offer is exclusively intended for persons who are not US Persons as such term is defined in Regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

### **Disclaimer for Persons in other foreign countries**

This Draft Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

### **Important Notice to All Shareholders**

This Draft Letter of Offer has been prepared for the purposes of compliance with the Buyback Regulations. Accordingly the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Managers to the Buyback are under no obligation to update the information contained herein at any time after the date of Letter of Offer. The Letter of Offer shall be dispatched to all Shareholders whose names appear on the register of members/ beneficiaries records of the Company, as of the Record Date. However, receipt of the Letter of Offer by any Shareholders in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Shareholders as an offer being made to them. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

### **Forward Looking Statement**

The 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 our strategies, objectives, plans or goals are also forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us 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 India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, 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 and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

#### 4. TEXT OF THE RESOLUTIONS PASSED AT BOARD/ COMMITTEE MEETINGS

The Buyback through Tender Offer has been duly authorized by resolutions passed by the Board of Directors of the Company at its meeting held on April 25, 2017. The Buyback Price and Record Date have been determined by the Buyback Committee in their meeting held on June 16, 2017. The text of the relevant resolutions passed are is given below.

##### (a) Resolution passed by Board of Directors as on April 25, 2017

**“RESOLVED THAT** pursuant to the provisions contained in Article 57 of the Articles of Association of the Company and in accordance with the provisions of Sections 68, 69, 70, 110, 179 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (the “Act”) and the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (“Buy Back Regulations”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments, statutory modification(s) or re-enactment of the Act or Buy Back Regulations, 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 to by the Board of Directors of the Company (herein 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), the approval of the Board, subject to approval of shareholders through postal ballot including e-voting, be and is hereby accorded for the Buy Back of Fully Paid up Equity Shares of face value of Rs. 10 each (hereinafter referred to as the “Equity Shares” or “Shares”) of the Company at a price not exceeding Rs.350/- per Share (Rupees Three Hundred Fifty only) (“Maximum Buy Back Price”) payable in cash for an aggregate Buy Back consideration not exceeding Rs. 117,79,33,000 (Rupees One Hundred and Seventeen Crore Seventy Nine Lakhs Thirty Three Thousand only) excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., cost for the intermediaries appointed for the Buy Back and other incidental costs (“Maximum Offer Size”), which is 10.39% of the paid up share capital and free reserves of the Company as per the latest audited balance sheet of the Company for the financial year ended March 31, 2017 through “tender offer” route as prescribed under the SEBI Buy Back Regulations (the process being referred herein as “Buy Back”) from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the record date to be determined by the Board.

**RESOLVED FURTHER THAT** all the shareholders of the Company will be eligible to participate in the Buy Back including the Promoter and Promoter Group, persons in control (including such person acting in concert) of the Company (including members thereof) who hold equity shares of the Company as of record date.

**RESOLVED FURTHER THAT** the Buy Back shall be implemented using the Mechanism for acquisition of shares through the Stock Exchanges notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with CFD/DCR2/CIR/P/2016/131dated December 09, 2016.

**RESOLVED FURTHER THAT** such Buy Back may be made out of the Company’s current surplus and / or cash balances and / or internal accruals / operating cash inflows and / or free reserves and / or such other sources as may be permitted by law through “Tender Offer” route and as required by the Buy Back Regulations and the Companies Act; the Company may Buy Back equity shares from all the existing Members holding equity shares of the Company on a proportionate basis, provided 15% (Fifteen Percent) of the number of equity shares which the Company proposes to Buy Back or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the Buy Back Regulations.

**RESOLVED FURTHER THAT** the Buy Back from Non-Resident Members holding equity shares of the Company, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, if any, etc., shall be subject to such



approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India (RBI) under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any including any amendments, statutory modification or re-enactments for the time being in force.

**RESOLVED FURTHER THAT** the Buy Back would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Regulation 10 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

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

- (a) It shall not directly or indirectly purchase its own shares:
  - (i) through any subsidiary company including its own subsidiary companies; or
  - (ii) through any investment company or group of investment companies;
- (b) There are no defaults subsisting in the repayment of deposits, 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 payable thereon to any financial institution or banking company, in the last three years; and
- (c) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Act.

**RESOLVED FURTHER THAT** the Board hereby confirms that:

- (i) All the Equity Shares for Buy Back are fully paid-up;
- (ii) the Company shall not issue any Equity Shares or specified securities including by way of bonus till the date of closure of the Buy Back;
- (iii) the Company shall not Buy Back locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- (iv) the Company shall not raise further capital for a period of one year from the closure of the Buy Back, except in discharge of subsisting obligations;
- (v) the Company shall not Buy Back 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 terms of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time;
- (vi) that the aggregate amount of the Buy Back i.e. Rs. 117,79,33,000 (Rupees One Hundred and Seventeen Crore Seventy Nine Lakhs Thirty Three Thousand only) does not exceed 25% of the total paid-up Equity Share capital and free reserves of the Company as on March 31, 2017;
- (vii) that the maximum number of Equity Shares proposed to be purchased under the Buy Back shall not exceed 25% of the total number of Equity Shares in the paid -up Equity Share capital as per the audited balance sheet as on March 31, 2017;
- (viii) the Company shall not make any offer of Buy Back within a period of one year reckoned from the date of closure of the Buy Back;
- (ix) 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
- (x) 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 Buy Back.

**RESOLVED FURTHER THAT** as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buy Back Regulations, the Board confirms that it has made the necessary and full enquiry into the affairs and prospects of the Company and has accordingly formed the opinion:

- (i) That immediately following the date of this Board Meeting, and the date on which the results of the Postal Ballot will be declared, approving the Buy Back, 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 of this Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot or e-voting will be declared, approving the Buy Back, 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 approving the Buy Back or within a period of one year from the date on which the results of the Postal Ballot or e-voting will be declared, as the case may be; and
- (iii) In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act.

**RESOLVED FURTHER THAT** in accordance with the provision of Section 68 of the Act, the draft of the Declaration of Solvency along with annexures thereof, as placed before the Board be and is hereby approved and Mr. Vishnu R Dusad, Managing Director and CEO and Mr. R.P. Singh, Executive Director of the Company, be and are hereby severally authorized to sign, execute and submit the same including necessary affidavit to that effect, to the appropriate authorities.

**RESOLVED FURTHER THAT** a Committee be and is hereby constituted ("Buy Back Committee") comprising of Mr. Vishnu R Dusad, Managing Director, Mr. Prithvi Haldea, Non Executive Director, Mr. R. P. Singh, Executive Director, Mr. Ashish Nanda, CFO to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, as the Buy Back Committee may consider to be in the best interests of the shareholders, including but not limited to:

- (a) finalizing the terms of Buy Back like Buy Back price & size, the mechanism for the Buy Back, record date, entitlement ratio, the schedule of activities for Buy Back including finalizing the date of opening and closing of Buy Back, the timeframe for completion of the Buy Back;
- (b) entering into escrow arrangements as may be required in terms of the Buy Back Regulations;
- (c) earmarking and making arrangements for adequate sources of funds for the purpose of the Buy Back;
- (d) opening, operation and closure of all necessary accounts, including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing persons to operate the said accounts;
- (e) preparation, finalisation, signing and filing of public announcement, the draft letter of offer/ letter of offer with the SEBI, ROC, the stock exchanges and other Appropriate Authority(ies);
- (f) making all applications to the Appropriate Authority(ies) for their requisite approvals including for approvals as may be required from the SEBI, Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any;
- (g) extinguishment of dematerialized shares and physical destruction of share certificates and filing of certificate of extinguishment required to be filed in connection with the Buy Back on behalf of the Company and/ or Board, as required under applicable law;
- (h) appointing any intermediaries / agencies / persons / advisors as may be required for the purposes of the Buy Back and to decide and settle the remuneration for all such intermediaries/ agencies/ persons, including by the payment of commission, brokerage, fee, charges, etc. and enter into agreements/ letters in respect thereof;
- (i) affixing the Common Seal of the Company on relevant documents required to be executed for the Buy Back of shares in accordance with the provisions of the Articles of Association of the Company.

(j) signing, executing and delivering such other documents, certificates, confirmations deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion as it may deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buy Back, 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 Buy Back to the SEBI, RBI, ROC, stock exchanges, depositories and/or other Appropriate Authorities.

(k) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.

(l) dealing 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 Buy Back using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.

(m) 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.

(n) giving such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buy Back;

(o) settling and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buy Back.

(p) to do all such acts, matters and things incidental and in connection with the Buy Back and sign and deliver such documents as may be necessary, desirable and expedient.

**RESOLVED FURTHER THAT** Ms. Poonam Bhasin, Company Secretary and Compliance officer shall act as the Secretary to the Buy Back Committee.

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

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

**RESOLVED FURTHER THAT** as per the provisions of Section 68(8) of the Companies Act, the Company will not issue same kind of shares or other specified securities within a period of six months after the completion of the Buy Back except by way of bonus shares or Equity Shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

**RESOLVED FURTHER THAT** M/s. SPA Capital Advisors Limited (the "Merchant Banker") be and is hereby appointed as merchant banker for the purpose of the Buy-Back in terms of the Buy Back Regulations and Mr. Vishnu R Dusad, Managing Director and CEO, be and is hereby authorized to finalize the remuneration payable to them and the terms and conditions relating to such appointment, and sign such documents as may be required in this connection.

**RESOLVED FURTHER THAT** Ms. Poonam Bhasin, Company Secretary & Compliance Officer of the Company be and is hereby appointed as Compliance Officer under the Buy Back Regulations who shall co-ordinate the activities for the Buy Back with the SEBI, the Merchant Banker, Appointed Broker, Stock

Exchanges, shareholders of the Company, Reserve Bank of India and other connected intermediaries and regulatory authorities, if required, and establishment of Investor Service Centre through M/s. Karvy Computershare Private Limited, the Registrar and Share Transfer Agents of the Company, on such locations, as may be required under the Regulations.

**RESOLVED FURTHER THAT** in terms of the requirement of the Buy Back Regulations, Ms. Poonam Bhasin, Company Secretary & Compliance Officer of the Company be and is hereby authorized to obtain the consent/dissent of the Promoters/Promoter Group, with respect to their participation in the Buy-back

**RESOLVED FURTHER THAT** Mr. Vishnu R Dusad, Managing Director and CEO, Mr. R. P. Singh, Executive Director, Mr. Ashish Nanda, CFO Ms. Poonam Bhasin, Company Secretary & Compliance Officer of the Company, be and are hereby jointly or severally authorised to, sign, execute, and file such papers, documents, affidavits, undertakings, applications and the like , to file necessary e-forms with the Registrar of Companies, Delhi, and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

**(b) Resolution(s) passed on June 16, 2017 by Buyback Committee**

“**RESOLVED THAT** pursuant to the authority granted to the Buyback Committee in Board meeting held on April 25, 2017 and the approval of the shareholders of the Company vide Special Resolution passed through Postal Ballot on June 15, 2017 and in consultation with the Manager to the Buyback offer, the Committee be and hereby decides to Buyback upto 33,43,000 (Thirty Three Lakhs Forty Three Thousand) equity shares of the face value of Rs.10/- each fully paid up at a price of Rs. 350/- (Rupees Three Hundred and Fifty Only) (the “Buyback Price”) payable in cash aggregating upto Rs. 117,00,50,000/- (Rupees One Hundred and Seventeen Crore and Fifty Thousand only) (the “Buyback Size”) from the shareholders whose name appears on the register of members of the Company as on the Record Date.

**RESOLVED FURTHER THAT**, the Buyback Size represents 24.83% of the aggregate of Paid-Up Capital and Free Reserves of the Company as on March 31, 2017 and the maximum number of shares to be bought back represent 10.32% of the number of equity shares outstanding as on March 31, 2017.

“**RESOLVED THAT**, pursuant to the authority granted to the Buyback Committee in the Board meeting held on April 25, 2017 and the approval of the shareholders of the Company vide Special Resolution passed through Postal Ballot on June 15, 2017, the Committee be and hereby fixes **June 30, 2017** as the ‘Record Date’ under Regulation 9(1) of the SEBI (Buyback of Securities) Regulations, 1998 for the purpose of determining the Buyback Entitlement and the names of the shareholders who are eligible to participate in the Buyback Offer and the shareholders to whom the Letter of Offer and Tender Offer form will be delivered in relation to Buyback.

**RESOLVED FURTHER THAT** Mr. Ashish Nanda, CFO and/or Ms. Poonam Bhasin, Company Secretary & Compliance Officer of the Company, be and are hereby authorized severally to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

**5. DETAILS OF THE PUBLIC ANNOUNCEMENT**

In accordance with Regulation 8(1) of the Buyback Regulations, the Company has made the Public Announcement dated June 17, 2017 which was published in the following newspapers on June 19, 2017:

<b>Publication</b>	<b>Language</b>	<b>Editions</b>
Business Standard	English	All Editions
Business Standard	Hindi	All Editions

The Public Announcement was issued within two working days from the date of passing Special resolution by Shareholders approving the Buyback through postal ballot, the result of which was declared on June 15, 2017.

A copy of the Public Announcement is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

## 6. DETAILS OF THE BUYBACK OFFER

- 6.1 The Board of Directors of Nucleus Software Exports Limited (the “**Company**”), at its meeting held on April 25, 2017 (the “**Board Meeting**”) has subject to the approval of the members of the Company through postal ballot including e-voting 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 had approved Buyback of Fully paid up Equity Shares of the Company of face value of Rs. 10/- each (“**Equity Shares or Shares**”) at a price not exceeding Rs. 350/- per share (Rupees Three Hundred and Fifty Only) (“**Maximum Buyback price**”) payable in cash for an aggregate buyback consideration not exceeding Rs. 117,79,33,000/- (Rupees One Hundred and Seventeen Crore Seventy Nine Lakhs Thirty Three Thousand Only) excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., cost for the intermediaries appointed for the buyback and other incidental costs (“**Maximum Offer Size**”), which is 25% of the paid up share capital and free reserves of the Company as per the latest audited balance sheet of the Company for the financial year ended March 31, 2017 through “**tender offer**” route as prescribed under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (“**SEBI Buyback Regulations**”) (the process being referred herein as “**Buyback**”) from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the record date to be determined by the Board/Buyback Committee authorized by Board.
- 6.2 The Shareholders of the Company approved the aforesaid mentioned proposal of Buyback, by way of Special Resolution, through postal ballot, the results of which were announced on June 15, 2017 / June 16, 2017. Further, the shareholders have authorized the Board of Directors (the “**Board**” which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized “**Buyback Committee**” thereof) to do all acts, deeds, matters relating to Buyback in its absolute discretion and in the best interest of the shareholders including finalizing the terms of the Buyback.
- 6.3 Pursuant to the shareholder’s approval, the Buyback Committee in its meeting held on June 16, 2017 has approved the Buyback of 33,43,000 (Thirty Three Lakhs Forty Three Thousand) Equity Shares at a Price of Rs. 350/- (the “**Buyback Price**”) aggregating to Rs. 117,00,50,000 (Rupees One Hundred and Seventeen Crore and Fifty Thousand only) (the “**Buyback Size**”) representing 10.32% of the total Paid-up equity capital of the Company as on March 31, 2017.
- 6.4 The Buyback shall be undertaken on a proportionate basis from the Shareholders as on June 30, 2017 (the “**Record Date**”) through the Tender Offer route prescribed under Regulation 4(1)(a) of the SEBI Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified in SEBI Circulars.
- 6.5 The aggregate Paid-up equity capital and Free Reserves of the Company as on March 31, 2017 was Rs. 471.17 crore and under the provisions of the Act, the funds deployed for Buyback shall not exceed 25% of the Paid-up capital and Free Reserves of the Company under shareholder approval route. Accordingly, the maximum amount that can be utilized in the present Buyback is Rs. 117.79 crore (Rupees One Hundred and Seventeen Crore Seventy Nine Lakhs Only). The aggregate amount proposed to be utilized for the Buyback is Rs. 117,00,50,000 (Rupees One Hundred and Seventeen Crore and Fifty Thousand only) excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., cost for the intermediaries appointed and other incidental costs, which is within the maximum amount as aforesaid.
- 6.6 The Buyback is in accordance with the provisions contained in the Article 57 of the Articles of Association of the Company, Section 68, 69, 70, 110 and 179 and all other applicable provisions, if any of the Companies Act 2013 (the “**Act**”), Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable (the “**Share Capital Rules**”), the Companies (Management and Administration) Rules, 2014 (the “**Management Rules**”) and the provisions of the SEBI Buyback Regulations to the extent applicable.

6.7 The Buyback is subject to the approvals, permissions and sanctions of statutory, regulatory or Governmental authorities as may be required under applicable laws from time to time, including but not limited to the approvals of Securities and Exchange Board of India (“SEBI”).

6.8 Further, under the Act, the number of equity shares that can be bought back during the Financial Year shall not exceed 25% of the Paid-up equity shares of the Company. Accordingly, the number of equity shares that can be bought back during the financial year cannot exceed 80,95,931 equity shares being 25% of Paid Up Capital i.e. 3,23,83,724 equity shares of face value of Rs. 10/- each. Since the Company proposes to Buyback up to 33,43,000 (Thirty Three Lakhs Forty Three Thousand) Equity Shares, the same is within the aforesaid limit.

6.9 Details of Shareholding of Promoters and Promoter Group.

6.9.1 The aggregate shareholding of the Promoter and the Promoter Group of the Company as on the date of publication of the Public Announcement i.e. June 19, 2017, is as follows:

Sr. No.	Name of the promoter/ Promoter Group	No. of Equity shares held	No. of Equity Shares in Demat Form	Percentage of Equity Share Capital
1	Vishnu R Dusad*	16,03,492	16,03,492	4.95
2	Yogesh Andlay*	8,63,534	8,63,534	2.67
3	Card Systems Private Limited	12,000	12,000	0.04
4	Nucleus Software Workshop Private Limited	6,00,000	6,00,000	1.85
5	Nucleus Software Engineers Private Limited	23,85,882	23,85,882	7.37
6	Karmayogi Holdings Private Limited	90,00,000	90,00,000	27.79
7	Naveen Kumar	72,952	72,952	0.23
8	Madhu Dusad	30,66,248	30,66,248	9.47
9	Suman Mathur	27,758	27,758	0.09
10	Ritika Dusad	10,00,000	10,00,000	3.09
11	Kritika Dusad	10,00,000	10,00,000	3.09
	<b>Total</b>	<b>1,96,31,866</b>	<b>1,96,31,866</b>	<b>60.62</b>

(\*) Mr. Vishnu R Dusad and Mr. Yogesh Andlay are the main promoters of the Company and others forms the part of the Promoter Group.

6.9.2 None of the Directors or Key Managerial personnel of the Company hold any Equity Shares in the Company except the following:

Sr. No.	Name	Position	No. of Shares Held	% of Holding
1	Vishnu R Dusad	Managing Director & CEO	16,03,492	4.95
2	Ritika Dusad	Director	10,00,000	3.09
3	Ravi Pratap Singh	Whole Time Director	3,04,650	0.94
4	Narayanan Subramaniam	Director	7,684	0.02
5	Poonam Bhasin	Key Managerial Personnel	10	0.00
	<b>Total</b>		<b>29,15,836</b>	<b>9.00</b>

6.9.3 No shares were either purchased or sold by the Promoter and Promoter Group, Directors and Key Managerial Personnels of the Company during the period of 6 months preceding the date of the Board Meeting at which the proposal for Buyback was approved and from the date of the Board Meeting till the date of Public Announcement.

## 7. AUTHORITY FOR THE BUYBACK

The Buyback is being undertaken by the Company in accordance with Article 57 of the Articles of Association of the Company, the provisions of section 68, 69, 70, 110, 179 and other applicable provisions of the Companies Act, the Rules thereunder and the SEBI Buyback Regulations. The Buyback is subject to such other approvals and permissions, as may be required from statutory, regulatory or governmental authorities under applicable law.

The Buyback has been duly authorized by a resolution passed by the Board of Directors at the meeting held on April 25, 2017.

Further the Buyback has been authorized by the Equity Shareholders by a Special Resolution passed on June 15, 2017 through postal ballot in accordance with the provisions Section 110 of the Act and the Rule 22 of the Management Rules. The results of the postal ballot and scrutinizer report were declared by the Company on June 15, 2017. However, since there was some inadvertent calculation mistake in the scrutinizers report, the company submitted the revised scrutinizers report dated June 16, 2017 to the stock exchanges on June 16, 2017.

## 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 the distribution of some surplus cash to the members holding equity shares broadly in proportion to their shareholding, will enhance the overall return to members.

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

- 9.1 The Buyback is not likely to cause any material impact on the earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. The Buyback will optimize returns to the shareholders and enhance overall shareholders value. The Buyback is not expected to impact growth opportunities for the Company.
- 9.2 In terms of the SEBI Buyback Regulations, under the Tender Offer route, the Promoter and Promoter Group of the Company have the option to participate in the Buyback. **The Promoter and Promoter Group of the Company do not intend to tender their equity shares in the Buyback as per their undertaking dated April 25, 2017.**
- 9.3 Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoter and Promoter Group in the Company may change from the existing 60.62 % holding in the total equity capital and voting rights of the Company. The Promoter and Promoter Group of the Company are already in control over the Company and therefore such further change in voting rights of the Promoter and Promoter Group will not result in any change in control over the Company. The Promoter Group has given an undertaking that if, as a result of Buyback offer, the public shareholding of the Company fall below 25% of the total Paid up Share Capital of the Company, the Promoter Group will reduce their shareholding in such manner and in compliance with the second proviso to the Regulation 10(4)(c) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 19A of the Securities Contracts (Regulations) Rules 1957 and SEBI circular No. CIR/CFD/CMD/14/2015 dated November 30, 2015 so that the minimum public shareholding remains at or above 25%.
- 9.4 The debt-equity ratio post the Buyback will be below the maximum allowable limit of 2:1 specified under the Act even if the response to the Buyback is to the extent of 100%.
- 9.5 In compliance with regulation 19(1)(b) of SEBI Buyback Regulations, the Company shall not issue any equity shares or other equity securities (including by way of bonus) till the date of closure of the Buyback.

- 9.6 The Company shall not raise further capital for a period of 1 (One) year from the closure of the Buyback offer, except in discharge of subsisting obligations.
- 9.7 The Company shall not issue new shares or other specified securities including by way of bonus till the date of closure of the Buyback.
- 9.8 The Promoters/Promoter Group shall not deal in the Equity Shares of the Company, including any inter se transfer of shares amongst the promoters / promoter group for the period between the date of passing of the Special Resolution and the date of the closure of the Buyback in accordance with the Buyback Regulations.

**9.9 Salient financial parameters consequent to the Buyback based on the Audited Standalone Financial Statements as of March 31, 2017, of the Company are as under:**

(Rs. In Lakhs)		
Ratios	*Pre Buyback	Post Buyback
Net Worth (Rs. in crores) <sup>(a)</sup>	47,342.76	[●]
Return on Networth (% age) <sup>(b)</sup>	10.10	[●]
Earnings Per Share (in Rs.) <sup>(c)</sup>		[●]
- Basic	14.77	
- Diluted	14.77	
Book Value per Share (in Rs.) <sup>(d)</sup>	146.19	[●]
Price / Earnings multiple as per latest audited Financial Statements <sup>(e)</sup>	22.86	[●]
Total Debt / Equity Ratio <sup>(f)</sup>	-	[●]

\*Pre and post buyback calculations are based on audited standalone financials of the Company as on March 31, 2017.

Note:

- (a) For the above purpose, “net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited standalone balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth is aggregate value of Paid up share capital and Free Reserves but excludes Capital Redemption Reserve
- (b) Return on Net Worth = Profit after tax / Net Worth
- (c) Earnings per Share = Profit after Tax / Average number of shares outstanding for the period.  
Earnings per Share post Buyback is computed after reducing proposed buyback shares from average outstanding shares for the Year
- (d) Book value per Share = Net Worth / Number of shares at the end of the period
- (e) Price / Earnings multiple as per latest Audited Standalone Financial Statements = Market Value per Share / Basic Earnings per Share  
Market Value has been taken as Rs. 337.60 (closing price on NSE as of June 19, 2017, i.e. the date of Public Announcement, for both pre and post buyback)
- (f) Total Debt / Equity Ratio = Total Debt / Net Worth

**10. BASIS FOR CALCULATING BUYBACK PRICE**

The Equity Shares of the Company are proposed to be bought back at a price of Rs. 350/- (Rupees Three Hundred and Fifty Only) Per Equity Share.

The Buyback Price has been arrived at after considering various factors, including, but not limited to the trends in the volume weighted average prices of the Equity Shares of the Company on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), where the equity shares of the Company



are listed, the net-worth of the Company, price earnings ratio and the possible impact of the Buyback on the earning per share..

The Buyback Price of Rs.350/-represents (a) a premium of approx. 34.49% and 34.18% over the closing prices on the BSE and NSE respectively on April 19, 2017, being the working day immediately preceding the date on which Company intimated the Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered.; (b) a premium of approx. 31.62% and 31.93% over the volume weighted average market price of the Equity Shares on the BSE and NSE respectively for three months preceding April 19, 2017, being the working day immediately preceding the date on which Company intimated the Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered.; (c) a premium of approx. 33.33% and 33.37% over the volume weighted average market price of the Equity Shares on the BSE and NSE respectively for two weeks preceding April 19, 2017, being the working day immediately preceding the date on which Company intimated the Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered.

The closing market price of the Equity Shares as on April 19, 2017, being the working day immediately preceding the date on which Company intimated Stock exchanges of the date of meeting of the Board of Directors wherein the proposal for the Buyback was considered, was Rs. 260.25 on BSE and Rs. 260.85 on NSE.

The Buyback Price is a 139.41% premium over the Company's book value per Equity Share of the Company, on standalone basis, which as of March 31, 2017 was Rs. 146.19 per Equity Share.

The basic and diluted earnings per Equity Share of the Company, on standalone basis, pre Buyback was Rs. 14.77 and Rs. 14.77 per Equity Share respectively, as on March 31, 2017 which is expected to increase to Rs. 16.47 per Equity Share, (assuming no dilutive equity shares exists), post Buyback assuming full acceptance under the Buyback Offer.

The Return on Networth, on standalone basis, of the Company was 10.10% as on March 31, 2017 which is expected to increase to 13.54 % after the Buyback assuming full acceptance under the Buyback Offer.

## **11. SOURCES OF FUNDS FOR THE BUYBACK**

- 11.1 Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be Rs. 117,00,50,000/- (Rupees One Hundred and Seventeen Crore and Fifty Thousand only) excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.
- 11.2 The funds for the Buyback will be sourced from internal accruals of the Company . The Buyback shall be made out of the Free Reserves and/or Securities Premium of the Company as at March 31, 2017 based on the Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2017. The Company shall transfer a sum equal to the nominal value of the Equity Shares so bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet.
- 11.3 The Company does not intend to raise any debt for the explicit purposes of the Buyback. Thus, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.
- 11.4 This Buyback is not likely to cause any material impact on the earnings of the Company, except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income.

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

- 12.1. In accordance with Regulation 10 of the SEBI Buyback Regulations, the Company has appointed Yes Bank Limited, having its registered office at 9th Floor, Nehru Centre, Discovery of India, Dr. Annie Basant Road, Worli Mumbai and acting through its branch at First Floor, Plot No. 38, Block H-1/A, Sector 63 Noida as the Escrow Agent for the aforementioned Buyback. The Company, the Manager to the Offer and the Escrow Agent have entered into an Escrow Agreement dated June 22, 2017 pursuant to which the Escrow Account in the name and style “**Nucleus Software Exports Limited - Buy-Back Escrow Account**” bearing account number 001466200000101 has been opened with the Escrow Agent.
- 12.2. In accordance with Regulation 10 of the Buyback Regulations, the Company proposes to deposit applicable amount in the Escrow Account, before the opening of the offer The Manager has been empowered to operate the Escrow Account in accordance with the SEBI Buyback Regulations.
- 12.3. The Company has adequate and firm financial resources to fulfill its obligations under the Buyback. SPMG & CO. Chartered Accountants (Mem. No. 090687), Independent Chartered Accountant, vide their certificate dated June 17, 2017 have certified that the Company has adequate firm and financial resources to fulfill the financial obligations under buyback.
- 12.4. The Company will, immediately after the date of closure of this Buyback offer, open a special account with Yes Bank Limited and deposit therein such sum as would together with 90% of the amount lying in the Escrow Account make up the entire sum due and payable as consideration for the Buyback. The Company may transfer the funds from the Escrow Account to the special account in accordance with the provisions of Regulation 11 of the Buy-back Regulations.
- 12.5. 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 SEBI Buyback Regulations.

## 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- (a) As on the date of this Draft Letter of Offer, the Share Capital Structure of the Company is as follows:

Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
4,00,00,000 Equity Shares of Rs. 10/- each	40,00,00,000
<b>Issued Capital</b>	
3,23,86,524 Equity Shares of Rs.10/- each	32,38,65,240
<b>Subscribed and Paid Up Capital*</b>	
3,23,83,724 Equity Shares of Rs. 10/- each	32,38,37,240
*2,800 share were forfeited	

- (b) Assuming full acceptance in the Buyback, the Share Capital Structure of the Company post Buyback would be as follows:

Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
4,00,00,000 Equity Shares of Rs. 10/- each	40,00,00,000
<b>Issued Capital</b>	
3,23,86,524 Equity Shares of Rs.10/- each	32,38,65,240
<b>Subscribed and Paid Up Capital</b>	
2,90,40,724 Equity Shares of Rs. 10/- each	29,04,07,240

## Confirmations

1. The Company has not undertaken any Buyback of its Equity Shares in the last three years from the date of the meeting of the Board in which the proposal for this Buyback was approved by the Board, i.e. April 25, 2017.
2. The Company's Equity Shares are fully Paid-up and there are no partly Paid-up Equity Shares with calls-in-arrears. Further, there are no outstanding compulsory or optionally convertible securities.
3. The Company will not issue any Equity Shares including by way of bonus, from the date of Public Announcement till the date of closure of this Buyback in accordance with Regulation 19(1)(b) of the SEBI Buyback Regulations.
4. Further as on the date, there is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

(c) The pre and post Buyback shareholding pattern of the Company is as follows:

Category of Shareholders	Pre Buyback Shareholding Pattern (as on June 16, 2017)		Post Buy Back Shareholding Pattern *	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Promoters Shareholding</b>				
Indian	1,96,31,866	60.62	[●]	[●]
Foreign	Nil	0.00	[●]	[●]
<b>Sub Total (A)</b>	1,96,31,866	60.62	[●]	[●]
<b>Public Shareholding</b>				
<b>Institutions</b>				
Mutual Funds / UTI	4,08,507	1.26	[●]	[●]
Financial Institutions / Banks	27,760	0.09		
Venture Capital Funds	-	-		
Foreign Portfolio Investor	32,68,872	10.09		
Foreign Institutional Investors	-	-		
<b>Non Institutions</b>				
Bodies Corporate	10,75,326	3.32		
Individuals	71,95,368	22.22		
Others	7,76,025	2.40		
<b>Sub Total (B)</b>	1,27,51,858	39.38	[●]	[●]
<b>Grand Total (A)+(B)</b>	<b>3,23,83,724</b>	<b>100.00</b>	[●]	[●]

\* Assuming response to the Buyback Offer to the fullest extent. However, the actual shareholding pattern post Buyback would depend upon the actual number of Equity shares bought back from each such shareholder.

- (d) The Company has 16,191 shareholders as of June 16, 2017.
- (e) As per the provisions of the Act, the Company will not be allowed to issue fresh Equity Shares for a period of one year from the closure of Buyback Offer or such other period after the completion of the Buyback as may be amended by any statutory modification(s) or re-enactment of the Act or SEBI Buyback Regulations for the time being in force. However, this restriction would not apply to issuance of bonus shares or shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
- (f) The aggregate shareholding of the Promoters, Promoter Group and Persons who are in control of the Company is 1,96,31,866 Equity Shares of face value Rs. 10 each representing 60.62% of the existing Paid up equity share capital of the Company. Assuming response to the Buyback to the fullest extent, the aggregate shareholding of the Promoters/Promoter Group and Persons who are in control of the Company, post Buyback will increase to 67.60% of the post Buyback equity share capital of the Company. None of the Promoter and Promoter Group entity have purchased or sold any Shares during the period of 12 months preceding the date of the Public Announcement and from the date of the Public Announcement till the date of the Draft Letter of Offer.

## 14. BRIEF INFORMATION ABOUT THE COMPANY

### 14.1 HISTORY OF THE COMPANY

The Company was incorporated on January 9, 1989 as Nucleus Software Exports Private Limited with its registered office at 33-35 Thyagraj Nagar Market, New Delhi, India. Subsequently in October 1994, it was converted into a Public Limited Company. In August 1995, Nucleus made an Initial Public Offer and is currently listed at National Stock Exchange of India Ltd. and BSE Ltd.

The Corporate Office of the company is situated at A-39, Sector-62, Noida, Uttar Pradesh – 201 307.

### 14.2 OVERVIEW OF THE BUSINESS

Nucleus Software Exports limited provides lending and transaction banking products to the global financial services industry. Its' software powers the operations of more than 150 customers in 50 countries, supporting retail banking, corporate banking, cash management, internet banking, automotive finance and other business areas.

Nucleus Software is known for its 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

The Company has branch offices in Chennai and Mumbai in India and in London, UK, USA and Dubai. The Singapore subsidiary has a representative office in Jakarta in Indonesia and in Manila in the Philippines. These subsidiaries/branch offices help the Company in providing front-end support to customers and explore new opportunities.

### 14.3 HISTORY OF THE EQUITY SHARE CAPITAL OF THE COMPANY

The details of changes in the share capital of the Company since incorporation as certified by the Company is as follows:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Paid-up share capital (Rs.)
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 (Preferential Issue)	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

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Paid-up share capital (Rs.)
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	161,1,63,120
March 30, 2007	4,000	10/-	170/-	ESOP	1,61,20,312	16,12,03,120
March 30, 2007	40000	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	6250	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

\*Forfeited

#### 14.4 DETAILS OF THE BOARD OF DIRECTORS OF THE COMPANY

##### a. Details of the Board of Directors of the Company as on the date of the Public Announcement

Name and DIN of the Director	Designation	Qualifications	Date of Appointment / Reappointment	Directorships in Other Companies
Janki Ballabh DIN: 00011206	Chairman, Independent Director	M.Com	15/11/2008	<ul style="list-style-type: none"> <li>• Tata Capital Limited</li> <li>• Tata AIA Life Insurance Company Limited</li> <li>• Tata AIG General Insurance Company Limited</li> <li>• Tata Capital Housing Finance Limited</li> <li>• Tata Capital Financial Services Limited</li> <li>• Receivables Exchange Of India Limited</li> </ul>
Vishnu Rampratap Dusad DIN: 00008412	Managing Director & CEO	B.Tech from Indian Institute of Technology	09/01/1989	<ul style="list-style-type: none"> <li>• Karmayogi Holdings Private Limited</li> <li>• Virstra I-Technology Services Limited</li> <li>• Indian Software Product Industry Round Table Foundation.</li> <li>• Avon Mobility Solutions Private Limited.</li> <li>• Nucleus Software Limited</li> </ul>

<b>Name and DIN of the Director</b>	<b>Designation</b>	<b>Qualifications</b>	<b>Date of Appointment / Reappointment</b>	<b>Directorships in Other Companies</b>
Siddhartha Mahavir Acharya DIN: 00545141	Independent Director	Graduation from Universities of Madras and Hong Kong. Masters in Economics from Victoria University of Manchester	19/03/2016	-
Ritika Dusad DIN:07022867	Non-Executive Director	Bachelor of Science in Physics from University of California. and Masters of Science in Physics from Cornell University, Los Angeles, Pursuing Ph.D.in Physics from Cornell University	20/07/2016	<ul style="list-style-type: none"> <li>• Karmayogi Holdings Private Limited</li> </ul>
Prithvi Pal Singh Haldea DIN: 00001220	Independent Director	MBA from Birla Institute of Technology	22/06/2001	<ul style="list-style-type: none"> <li>• Multi Commodity Exchange of India Limited</li> <li>• Venture Media Private Limited</li> <li>• Praxis Consulting and Information Services Private Limited.</li> <li>• Prime Investors Protection Association &amp; League</li> <li>• Virstra I-Technology Services Limited</li> <li>• Primedatabase.Com Private Limited</li> <li>• Nucleus Software Limited</li> </ul>
Elaine Mathias DIN:06976868	Independent Director	B.Com (H) from Sydenham College of Commerce and Economics, Mumbai. Qualified Chartered Accountant, -FCA, Cost Accountant- CMA	20/09/2014	-
Trilochan Sadhu Sastry DIN: 02762510	Independent Director	B.Tech from IIT Delhi, MBA from IIM Ahemdabad, PHD from MIT USA	27/04/2013	<ul style="list-style-type: none"> <li>• Nucleus Software Limited</li> <li>• Indiafarm Foods Private Limited</li> </ul>
Ravi Pratap Singh DIN: 00008350	Whole Time Director	Eco (H) from SRCC, Delhi University, Post Graduation in Computer Applications, General Management Program from Harvard Business School	26/07/2014	<ul style="list-style-type: none"> <li>• Virstra I-Technology Services Limited</li> <li>• Nucleus Software Limited</li> </ul>

Name and DIN of the Director	Designation	Qualifications	Date of Appointment / Reappointment	Directorships in Other Companies
Narayanan Subramaniam DIN: 00166621	Independent Director	Post Graduate from IIM Ahmedabad, Qualified CA, CS and CMA	11/07/2012	<ul style="list-style-type: none"> <li>• MCAP Fund Advisors Private Limited</li> <li>• RSA Corporate Consultants Private Limited</li> <li>• NS Equity Advisors Private Limited</li> <li>• L&amp;T Financial Consultants Limited</li> <li>• Avon Mobility Solutions Private Limited</li> <li>• L &amp; T Finance Limited</li> <li>• Ganesha Ecosphere Limited</li> <li>• L&amp;T Housing Finance Limited</li> </ul>

b. Changes in the Board of Directors of the Company during the last three years

Name of the Director	Appointment / Resignation/Retirement/Cessation	Effective Date	Reasons
Sanjiv Sarin	Retirement	July 8,2014	-
Ravi Pratap Singh	Appointment	July 26,2014	-
Elaine Mathias	Appointment	September 20,2014	-
S M Acharya	Appointment	March 19,2016	-
Ritika Dusad	Appointment	July 20,2016	-

The Buyback will not result in any benefit to any Director of the Company or to the Promoter Group of the Company except to the extent of their intention to participate in the Buyback, including Additional Shares tendered, 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 a reduction in the Equity Share capital post Buyback

## 15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The salient financial information of the Company as extracted from the Audited Standalone Financial Statements for the last three financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 are as given below:

Particulars	(Rs. In Lacs)		
	Financial year ended March 31, 2017	March 31, 2016	March 31, 2015
Equity Share Capital	3,238.52	3,238.52	3,238.52
Reserves and Surplus	44,104.24	39,209.98	36,231.39
Net worth*	<b>47,342.76</b>	<b>42,448.50</b>	<b>39,469.92</b>
Total Income	32,858.80	32,889.33	30,841.23
Profit before Depreciation, Interest and Tax	6,255.63	6,408.83	9,076.24
Interest	34.72	43.07	40.05
Depreciation	1,026.53	1,091.48	1,065.90
Profit before Tax	<b>5,194.38</b>	<b>5,274.28</b>	<b>7,970.29</b>
Tax	412.53	808.54	1,895.81
Profit After Tax	<b>4,781.85</b>	<b>4,465.73</b>	<b>6,074.48</b>

**Key Financial Ratios**

Particulars	Financial year ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Earnings per Share (EPS)- Basic (Rs.) <sup>(1)</sup>	14.77	13.79	18.76
Earnings per Share (EPS)- Diluted (Rs.)	14.77	13.79	18.76
Book Value Per Share (Rs.) <sup>(2)</sup>	146.19	131.08	121.87
Return on Networth (%) <sup>(3)</sup>	10.10	10.52	15.39
Debt Equity Ratio <sup>(4)</sup>	-	-	-

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

(1) Earnings per Share = Profit After Tax/ 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 = Profit After Tax/ Net Worth (excluding revaluation reserves)

(4) Debt-Equity Ratio = Total Debt/ Net Worth (excluding revaluation reserves)

- 15.2 The salient financial information of the Company as extracted from the Audited Consolidated Financial Statements for the last three financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 are as given below:

(Rs. In Lacs)

Particulars	Financial year ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity Share Capital	3,238.52	3,238.52	3,238.52
Reserves and Surplus	48,728.47	42,450.74	40,598.07
Net worth*	<b>51,966.99</b>	<b>45,689.27</b>	<b>43,836.59</b>
Total Income	40,224.25	37,460.88	38,644.82
Profit before Depreciation, Interest and Tax	8,215.18	5,671.69	9,916.41
Interest	54.43	61.66	54.46
Depreciation	1,121.05	1,222.47	1,196.68
Profit before Tax	<b>7,039.70</b>	<b>4,387.56</b>	<b>8,665.27</b>
Tax	770.28	1,141.03	2,193.86
Profit After Tax	<b>6,269.42</b>	<b>3,246.53</b>	<b>6,471.40</b>

**Key Financial Ratios**

Particulars	Financial year ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Earnings per Share (EPS)- Basic (Rs.) <sup>(1)</sup>	19.36	10.03	19.98
Earnings per Share (EPS)- Diluted (Rs.)	19.36	10.03	19.98
Book Value Per Share (Rs.) <sup>(2)</sup>	160.47	141.09	135.37
Return on Networth (%) <sup>(3)</sup>	12.06	7.11	14.76
Debt Equity Ratio <sup>(4)</sup>	-	0.002	-

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

(1) Earnings per Share = Profit After Tax/ 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 = Profit After Tax/ Net Worth (excluding revaluation reserves)

(4) Debt-Equity Ratio = Total Debt/ Net Worth (excluding revaluation reserves)

- 15.3 The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with sections 68, 69 and 70 of the Companies Act and the Companies (Share Capital and Debentures) Rules, 2014.



## 16. STOCK MARKET DATA

16.1 The Equity Shares of the Company are currently listed and traded on NSE and BSE.

16.2 The closing market price of the Equity Shares as on April 19, 2017, being the working day immediately preceding the date on which Company intimated Stock exchanges of the date of meeting of the Board of Directors wherein the proposal for the Buyback was considered was Rs. 260.25 on BSE and Rs. 260.85 on NSE.

16.3 The closing market price of the Equity Shares as on April 26, 2017, being the working day immediately after the date on which the Board of Directors approved the proposal for the Buyback was Rs. 311.20 on BSE and Rs. 312.70 on NSE.

16.4 The high, low, average market price and total volume of Equity Shares traded in the last three Years (April to March periods) and the monthly high, low, average market price and total volume of Equity Shares traded for the six months preceding the month in which Public Announcement given on NSE & BSE are set out below:

### 16.4.1 NSE

Period	High			Low			Weighted Average Price	Total Traded Quantity in the Period	Total Traded Value (Rs. Lakhs) in the Period
	Price (Rs.)	Date	No. of shares traded	Price (Rs.)	Date	No. of shares traded			
FY 2017	303.00	09/12/2016	1206345	165.20	29/09/2016	47436	253.17	35632436	90210.81
FY 2016	352.90	28/07/2015	449969	144.55	29/02/2016	132834	259.64	48871559	126889.26
FY 2015	273.95	12/09/2014	475564	160.05	26/03/2015	36217	220.42	27865240	61420.78

Period	High			Low			Weighted Average Price	Total Traded Quantity in the Period	Total Traded Value (Rs. Lakhs) in the Period
	Price (Rs.)	Date	No. of shares traded	Price (Rs.)	Date	No. of shares traded			
May 2017	344.40	22/05/2017	218209	309.00	02/05/2017	111436	328.28	2447123	8033.37
April 2017	329.50	26/04/2017	2155216	246.30	03/04/2017	52592	298.22	4481553	13364.74
March 2017	277.90	01/03/2017	78598	236.20	23/03/2017	66568	256.56	2021443	5186.12
February 2017	280.35	23/02/2017	70841	255.25	01/02/2017	254852	269.21	1778540	4787.99
January 2017	299.90	05/01/2017	1641824	255.15	02/01/2017	233876	284.29	6204412	17638.24
December 2016	303.00	09/12/2016	1206345	236.25	27/12/2016	322240	279.69	11868284	33194.37

Source: [www.nseindia.com](http://www.nseindia.com)

## 16.4.2 BSE

Period	High			Low			Weighted Average Price	Total Traded Quantity in the Period	Total Traded Value (Rs. Lakhs) in the Period
	Price (Rs.)	Date	No. of shares traded	Price (Rs.)	Date	No. of shares traded			
FY 2017	303.30	09/12/2016	252625	171.00	29/09/2016	12023	257.02	6887375	17702.03
FY 2016	353.00	28/07/2015	119297	145.20	29/02/2016	19920	260.87	14596378	38077.53
FY 2015	273.80	12/09/2014	123322	160.20	26/03/2015	8498	221.07	7161275	15831.17

Period	High			Low			Weighted Average Price	Total Traded Quantity in the Period	Total Traded Value (Rs. Lakhs) in the Period
	Price (Rs.)	Date	No. of shares traded	Price (Rs.)	Date	No. of shares traded			
May 2017	343.90	22/05/2017	31157	309.65	02/05/2017	17776	327.81	406140	1331.37
April 2017	329.50	26/04/2017	364475	244.00	03/04/2017	6081	298.48	754206	2251.17
March 2017	278.00	01/03/2017	12677	237.55	23/03/2017	5998	257.21	359383	924.37
February 2017	279.80	22/02/2017	39791	255.50	01/02/2017	57659	268.34	346863	930.77
January 2017	299.85	05/01/2017	262009	255.35	02/01/2017	44806	283.78	1178682	3344.82
December 2016	303.30	09/12/2016	252625	236.20	27/12/2016	76703	278.64	2760195	7690.99

Source: [www.bseindia.com](http://www.bseindia.com)

For the purpose of aforesaid tables:

- Year is a financial year ending on March 31.
- Weighted Average Price (Total Turnover / Total Traded Quantity) for all trading days during the said period
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares of our Company for the year, or the month, as the case may be
- In case of two days with the same high / low, the date with higher volume has been considered

## 17. DETAILS OF STATUTORY APPROVALS

17.1 The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, the SEBI Buyback Regulations, SEBI and/or such other applicable rules and regulations in force.

17.2 Buyback from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Indians (“NRI”) and erstwhile Overseas Corporate Bodies (“OCB”) must obtain all approvals 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 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 the Eligible Shareholder in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Shareholder in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted. The Company will make due compliances of applicable rules and regulations under FEMA Regulations.

- 17.3 As on date, there are no other statutory or regulatory approvals required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback, if any, shall be intimated to the Stock Exchanges.
- 17.4 The Buyback has been approved by the Board of Directors in their meeting held on April 25, 2017 and by the Shareholders through postal ballot, the results of which were declared on June 15, 2017.

## 18. DETAILS OF REGISTRAR AND SHARE TRANSFER AGENT TO THE BUYBACK OFFER

Eligible Persons who wish to tender their Equity Shares in the Buyback Offer can either send it by registered post/courier or hand deliver the Tender Form and TRS generated by the Exchange Bidding System along with all the relevant documents to the Registrar to the Buyback, super scribing the envelope as “**Nucleus Software Exports Limited - Buyback 2017**”.

In case of query, the shareholders may contact the registrar during working hours i.e. 10 am and 5 pm all working days except Saturday, Sunday and public holidays.

The Company has appointed the following as the Registrar to the Buyback:

Name	Karvy Computershare Private Limited
Address	Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Seriligampally Mandal, Hyderabad-500032
Phone	Tel. No.: 040 – 23420815-18
Fax	Fax No.: 040 - 23420814
Contact Person	Mr. M. Murali Krishna
SEBI Registration No.	SEBI Regn. No.: INR000000221
Validity Period for SEBI Registration	Permanent

**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

The Company proposes to Buyback up to 33,43,000 (Thirty Three Lakhs Forty Three Thousand) Equity Shares, representing 10.32% of the total issued and Paid-up equity capital of the Company, at a price of Rs. 350/- (Rupees Three Hundred and Fifty Only) per Equity Share payable in cash for an amount aggregating up to Rs. 117,00,50,000/- (Rupees One Hundred and Seventeen Crore and Fifty Thousand Only) excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc, being up to 24.83% of the fully Paid-up equity capital and Free Reserves of the Company for the Financial Year ended March 31, 2017, from the Eligible Shareholders on a proportionate basis through Tender Offer in accordance with the provisions of the Act, the Rules thereunder and the SEBI Regulations. The Shareholders approved the Buy- back, by way of a special resolution, through postal ballot, the results of which were announced on June 15, 2017. The Buyback is subject to receipt of any approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, including SEBI and the Stock Exchanges.

The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback.

The aggregate shareholding of the Promoter Group as on the Record Date is 1,96,31,866 Equity Shares which represents 60.62% of the existing equity share capital of the Company. In terms of the SEBI Buyback Regulations, under the Tender Offer, the Promoters of the Company have the option to participate in the Buyback. **The Promoter and Promoter Group of the Company do not intend to tender their equity shares in the Buyback as per their undertaking dated April 25, 2017.**

Assuming response to Buyback is to the extent of 100% (full acceptance) from all Shareholders up to their Buyback Entitlement, the aggregate Shareholding of the promoters, post Buyback may increase to 67.60% from 60.62%. Also if none of the public shareholders participate, then their shareholding will remain same i.e 60.62%.

**Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:**

The Buyback Committee had fixed June 30, 2017 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.

The Equity Shares proposed to be bought back by the Company shall be divided in two categories:

- (i) Reserved category for Small Shareholders (“Reserved Category”); and
- (ii) General Category for other Eligible Shareholders (“General Category”).

As defined in the SEBI Buyback Regulations, a “Small Shareholder” is a Shareholder who holds Equity Shares having market value, on the basis of closing price of shares on the recognized stock exchange in which the highest trading volume in respect of such shares, as on Record Date is not more than Rs. 200,000/- (Rupees Two Lakhs Only).

As on the Record Date, the closing price on [●], having the highest trading volume was Rs. [●] per Equity Share, accordingly all Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.

Based on the above definition, there are [●] Small Shareholders with aggregate shareholding of [●] Shares, as on the Record Date, which constitutes [●]% of the outstanding Paid up equity share capital of the Company and [●] of the number of Equity Shares which are proposed to be bought back as part of this Buyback.

In compliance with Regulation 6 of the SEBI Buyback Regulations, the reservation for the Small Shareholders, will be [●] Equity Shares (“**Reserved Portion**”) which is higher of:

- i. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback, being [●] Equity Shares; or
- ii. The number of Equity Shares entitled as per their shareholding as on Record Date, being [i.e. ([●]/[●]x[●])] which works out to be [●] Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoter does not intend to offer Equity Shares held by them in the Buyback.

Since the cumulative number of Equity Shares held by all Small Shareholders as on Record Date is [●], which is less than the [●] (higher of (i) and (ii) above), the Reserved Portion for Small Shareholders will be [●] Equity Shares. Accordingly, General Category for all other Equity Shareholders shall consist of [●] Equity Shares (the “**General Portion**”).

Based on the above, the Buyback Entitlement ratio for both categories is decided as below:

<b>Category of Shareholders</b>	<b>Ratio of Buyback</b>
Reserved category for Small Shareholders	[●] Equity Shares for every [●] Equity Shares held on the Record Date
General category for all other Eligible Shareholders	[●] Equity Shares for every [●] Equity Shares held on the Record Date

### **Fractional Entitlements**

If the Buyback Entitlement under the Buyback, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of one 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.

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 for Additional Equity Shares.

### **Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders**

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

- a) 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.
- b) Post the Acceptance as described above, in case there are any Equity Shares left to be bought back from Small Shareholders in 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 a part of the Buyback shall be given preference and one Equity Share each from the Additional Equity Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the Acceptance as described above, in case, there are Equity Shares left to be bought back in the Reserved category and there are any validly tendered unaccepted Equity Shares in the Reserved Category (“**Reserved Category Additional Shares**”), the Reserved Category Additional Shares shall be accepted in a proportionate manner and the Acceptance shall be made in accordance with the SEBI Buyback Regulations, i.e. valid Acceptance per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Equity Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with the clause above, shall be reduced by one.

### **Adjustment for fractional results in case of proportionate Acceptance, as described above:**

- i. 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 one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- ii. 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 one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

### **Basis of Acceptance of Equity Shares validly tendered in the General Category**

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:

- a. 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.
- b. Post the Acceptance as described above, in case there are any Equity Shares left to be bought back in the General Category, and there are validly tendered Additional Shares in the General Category (“the **General Category Additional Shares**”), the General Category Additional Shares shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptance per shareholder shall be made in accordance with the SEBI Buyback Regulations, i.e. valid Acceptance per shareholder shall be equal to the General Category Additional Equity Shares validly tendered by the Eligible Shareholders divided by the total General Category Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares remaining to be Accepted in General Category.

### **Adjustment for fractional results in case of proportionate acceptance as described above:**

- i. 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 one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- ii. 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 one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

### **Basis of Acceptance of Equity Shares between Categories**

- a) In the event the Equity Shares tendered by the Small Shareholders in accordance with the process set out under the section entitled “*Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders*” is less than the Reserved Portion, Additional Equity Shares tendered by the Eligible Shareholders in the General Category over and above their Buyback Entitlement shall, in accordance with the Regulations, be accepted in proportion of the Additional Equity Shares tendered by them i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by an Eligible Shareholder in the General Category divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the Additional Equity Shares that can be accepted due to shortfall in the Reserved Portion.
- b) In the event the Equity Shares tendered by the Eligible Shareholders in the General Category in accordance with the process set out under the section entitled “*Basis of Acceptance of Equity Shares validly tendered in the General Category*” is less than the General Portion, Additional Equity Shares tendered by the Eligible Shareholders in the Reserved Category over and above their Buyback Entitlement shall, in accordance with the Regulations, be Accepted in proportion of the Additional Equity Shares tendered by them i.e. valid Acceptance per shareholder shall be equal to the Additional Equity Shares validly tendered by an Eligible Shareholder in the Reserved Category divided by the total Additional Equity Shares validly tendered in the Reserved Category and multiplied by the Additional Equity Shares that can be accepted due to shortfall in the General Portion.
- c) In case there is any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before Acceptance as mentioned above in this paragraph, out of the Shares left to be bought back in the General Category, provided no Acceptance could take place from such Shareholder in accordance with the section entitled “*Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders*”.

**Adjustment for fractional results in case of proportionate acceptance as described above:**

- i. 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 one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- ii. 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 one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

**Miscellaneous**

For avoidance of doubt, it is clarified that, in accordance with the clauses above:

- (a) Equity Shares accepted under the Buyback from each Eligible Shareholder, shall be lower of the following:
  - the number of Equity Shares tendered by the respective Shareholder or
  - the number of Equity Shares held by the respective Shareholder, as on the Record Date
- (b) Equity Shares tendered by any Shareholder over and above the number of Equity Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

**20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT**

- 20.1. The Buyback is open to all Eligible Shareholders holding Equity Shares in both physical form and dematerialized form. The Company proposes to effect the Buyback through a 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 mailed/dispatched to the Eligible Shareholders. The Eligible Shareholder(s) which have registered their email ids with the depositories / the Company, shall be dispatched the Letter of Offer through electronic means. The Eligible Shareholder(s) who have not registered their email ids with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in Paragraph 20.9 later on.
- 20.2. The Company will not accept any Equity Shares offered in the Buyback which are under any restraint order of a court for transfer/sale of such Equity Shares. In accordance with Regulation 19(5) of the Buyback Regulations, the Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or until such Equity Shares become transferable. 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.
- 20.3. Eligible Shareholders will have to transfer their Equity Shares from the same demat account in which they were holding such 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.
- 20.4. As disclosed in Paragraph 19 (Process and Methodology for the Buyback) above, the Equity Shares proposed to be bought as a part of the Buyback are divided into 2 (two) categories; (i) Reserved Category for Small Shareholders, and (ii) the General Category for other Eligible Shareholders; and the Buyback Entitlement of an Eligible Shareholders in each category shall be calculated accordingly.
- 20.5. After accepting 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 any other category.

- 20.6. Eligible Shareholders' participation in the Buyback is voluntary. Eligible Shareholders may choose to participate, in part or in full, and receive cash in lieu of the Equity Shares accepted under the Buyback, or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the Buyback, without any additional investment. Eligible Shareholders may also tender a part of their Buyback Entitlement. Eligible Shareholders also have the option of tendering Additional Equity Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. The Acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of procedure outlined herein.
- 20.7. The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by such Eligible Shareholder as on the Record Date.
- 20.8. The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" pursuant to the SEBI Circulars, and following the procedure prescribed in the Act, the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

**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.**

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

- **In case the Eligible Shareholder holds Equity Shares in dematerialised form:**

If Eligible Shareholder(s) who have been sent the Letter of Offer 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 website of the Registrar i.e. [www.karvycomputershare.com](http://www.karvycomputershare.com), or by providing his / her / its application in writing on a plain paper, signed by all Eligible Shareholders (in case of joint holding), stating name and address of the Eligible Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name, DP ID, beneficiary account number and number of Equity Shares tendered for the Buyback.

- **In case the Eligible Shareholder holds Equity Shares in physical form:**

An Eligible Shareholder may participate in the Buyback by providing his / her / its application in writing on a plain paper 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 not later than 2 (two) days from the Buyback Closing Date i.e. [●], 2017 (by 5 p.m.). 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 Tender Forms are liable to be rejected under this Buyback.

- 20.10. Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Selling Member(s) (along with the complete set of documents for verification procedures in case of Equity Shares held in physical form) and have to ensure that their bid is entered by their respective Selling Member(s) in the electronic platform to be made available by BSE before the Buyback Closing Date.



- 20.11. The Company shall accept Equity Shares validly tendered by the 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 above are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.
- 20.12. The acceptance of the Buyback made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of Equity Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- 20.13. For implementation of the Buyback, the Company has appointed SPA Securities Limited as the registered brokers to the Company (referred to as “Buyer’s Broker”) to facilitate the process of tendering of Equity Shares through the stock exchange mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Brokers are as follows:



**SPA Securities Limited**  
25, C-Block, Community Centre  
JanakPuri, New Delhi - 110 058  
Tel: +91 11 4567 5500  
Fax: +91 11 2553 2644

- 20.14. BSE has been appointed as the “**Designated Stock Exchange**” to provide a separate “**Acquisition Window**” to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buyback. The details of the platform will be as specified by the Designated Stock Exchange, from time to time.
- 20.15. In the event Selling Member of any Eligible Shareholder is not registered with BSE trading member / stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register himself by using quick unique client code (UCC) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is unable to register himself by using quick UCC facility through any other BSE registered stock broker, then that Eligible Shareholder may approach the Company’s Broker, viz. SPA Securities Limited, to register himself by using quick UCC facility.
- 20.16. All Eligible Shareholders, through their respective Selling Member(s) will be eligible and responsible to place orders in the Acquisition Window. All Eligible Shareholders can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.
- 20.17. At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company’s Broker. During the Tendering Period, the order for selling the Equity Shares shall be placed by the Eligible Shareholders through their respective Selling Member(s) during normal trading hours of the secondary market.
- 20.18. Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period. Multiple bids made by a single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance.
- 20.19. The cumulative quantity tendered shall be made available on BSE website ([www.bseindia.com](http://www.bseindia.com)) throughout the Tendering Period, and will be updated at specific intervals during the Tendering Period.
- 20.20. 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.

**20.21. Procedure to be followed by Eligible Shareholders holding Equity Shares in dematerialised form:**

- I. Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Selling Member(s) by indicating to such Selling Member(s) the details of Equity Shares they intend to tender under the Buyback.
- II. The Selling Member would be required to place an order/bid on behalf of the Eligible Shareholder(s) who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Designated Stock Exchange. It is mandatory to transfer the tendered Equity Shares into the account of Indian Clearing Corporation Limited (referred to as the “**Clearing Corporation**”) by the Eligible Shareholder through the early pay-in mechanism of the Depositories prior to placing the order/bid on the Designated Stock Exchange’s IBBS platform by the Selling Member. For further details, Eligible Shareholders may refer to the circulars issued by BSE/Clearing Corporation.
- III. The details of the settlement number under which the Equity Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular to be issued by the Clearing Corporation.
- IV. For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than 6:00 p.m. IST on the last day of the Tendering Period i.e. the Buyback Closing Date. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification by the concerned Selling Member shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- V. Upon placing the bid, the Selling Member shall provide a TRS generated by the Designated Stock Exchange’s bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted such as Bid ID No., Application No., DP ID, Client ID, number of Equity Shares tendered etc.
- VI. In case of Equity Shares held in physical form, Eligible Shareholders who have tendered their Equity Shares in the Buyback can ‘hand deliver’ the Tender Form duly signed (by all Eligible Shareholders in case such Equity Shares are held in joint names) in the same order in which they hold the Equity Shares, TRS generated by the exchange bidding system along with all relevant documents to the Registrar to the Buyback at its office provided in Paragraph 18 herein above. The TRS will be generated by the respective Selling Member. Eligible Shareholders who cannot hand deliver the Tender Form and such other documents to the Registrar to the Buyback at its office provided in Paragraph 18 herein above, may send the same by registered post/ speed post, at their own risk, super-scribing the envelope as “**Nucleus Software Exports Limited - Buyback 2017**”, to the Registrar to the Buyback Offer at their office provided in Paragraph 18 herein above, so that the same are received not later than 2 (two) days from the Buyback Closing Date i.e. [●] (by 5 p.m.).
- VII. 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):
  - (i) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
  - (ii) Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
  - (iii) In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- VIII. 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 Buyback shall be deemed to have been accepted, for Eligible Shareholders holding Equity Shares in demat form.

- IX. 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 prorated Buyback decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.

**20.22. Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form:**

- I. Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Selling Member(s) along with the complete set of documents for verification procedures to be carried out including the (i) original Equity 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, (iv) the Tender Form (duly signed by all Eligible Shareholders in case the Equity Shares are in joint names) the same order in which they hold Equity Shares, and (v) any other relevant documents such as, but not limited to, duly attested power of attorney in case person other than the Eligible Shareholders has signed the Tender Forms, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Eligible Shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible 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.
- II. Based on the documents as mentioned in clause I of paragraph 20.22 herein above, the concerned Selling Member shall place the bid on behalf of Eligible Shareholders holding Equity Shares in physical form using the Acquisition Window of the Designated Stock Exchange. Upon placing the bid, the Selling Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted like folio number, Equity Share certificate number, distinctive number, number of Equity Shares tendered, etc.
- III. The Selling Member / Eligible Shareholder is required to deliver the original Equity Share certificate(s) and documents (as mentioned in clause II of paragraph 20.22) along with TRS either by registered post or courier or hand delivery to Registrar to the Buyback, at its office provided in Paragraph 18 herein above, within 2 (two) days of bidding by Selling Member. The envelope should be super scribed as **"Nucleus Software Exports Limited - Buyback 2017"**. One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Selling Member / Eligible Shareholder.
- IV. Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such time the Designated Stock Exchange shall display such bids as 'unconfirmed physical bids'. Once the Registrar to the Buyback confirms the bids it will be treated as 'Confirmed Bids'.
- V. 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); (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.

- VI. 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.

#### **20.23. For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders**

- I. Eligible Shareholders, being Non-Resident Shareholders (excluding FIIs/FPIs) should also enclose a copy of the permission received by them from the RBI, if applicable, to acquire the Equity Shares held by them in the Company.
- II. In case the Equity Shares are held on repatriation basis, the Eligible Shareholder, being a Non-Resident Shareholder, should obtain and enclose a letter from its authorised dealer / bank confirming that at the time of acquiring such Equity Shares, payment for the same was made by such Eligible Shareholder, from the appropriate account as specified by RBI in its approval. In case the Eligible Shareholder, being a Non-Resident 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 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.
- III. If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered by Eligible Shareholders, being Non-Resident Shareholders, under the Buyback are liable to be rejected.

#### **20.24. Acceptance of orders**

The Registrar to the Buyback shall provide details of order acceptance to Clearing Corporation within specified time lines.

#### **20.25. Method of Settlement**

- I. Upon finalization of the basis of Acceptance as per the Buyback Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- II. The Company will transfer the consideration pertaining to the Buyback to the Clearing Corporation's bank account through the Company's Brokers as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If bank account details of any Eligible Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Shareholder holding Equity Shares in dematerialized form.
- III. In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- IV. For the Eligible Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.

- V. The Equity Shares bought back in the dematerialized form would be transferred directly to the escrow account of the Company (“**Company Demat Escrow Account**”) provided it is indicated by the Company’s Brokers or it will be transferred by the Company’s Brokers to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.
- VI. Excess Equity Shares or unaccepted Equity Shares, in dematerialised form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder’s DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member’s depository pool account for onward transfer to the respective Eligible Shareholder.
- VII. Any excess Equity Shares, in physical form, 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 Eligible Shareholders holding Equity Shares in the physical form.
- VIII. The Seller Member would issue contract note for the Equity Shares accepted under the Buyback. The Company’s Brokers would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- IX. Equity Shareholders who intend to participate in the Buyback should consult their respective Selling Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Member upon the selling Eligible Shareholder for tendering Equity Shares in the Buyback (secondary market transaction). The Managers to the Buyback and the Company accept no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Selling Member, and such costs will be incurred solely by the Eligible Shareholders.
- X. The Equity Shares lying to the credit of the Company Demat Escrow 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.

#### 20.26. Rejection Criteria

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds.

For Eligible Shareholders holding shares in the dematerialized form if:

- a) The Shareholder is not a Eligible Shareholder of the Company as on the Record Date;

For Eligible Shareholders holding Equity Shares in the physical form if:

- a) 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.);
- b) If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d) If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or

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

**SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING 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 SUCH ADVICE.**

Given below is a broad summarization of the applicable sections of the IT Act relating to treatment of income-tax in case of Buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

### 1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

- 1.1. Based on the provisions of the IT Act, shares can be classified under the following two categories:
  - Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
  - Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”) ( reference Circular No 6/2016 dated 29th February, 2016)
- 1.2. Based on the provisions of the IT Act shareholders can be classified under the following categories:
  - 1.2.1 Resident Shareholders being:
    - Individuals, HUF, AOP and BOI
    - Others
  - 1.2.2 Non Resident Shareholders being:
    - NRIs
    - FIIs/FPIs
    - Others
    - Company
    - Other than Company

### 2. SHARES HELD AS INVESTMENT

- 2.1 For non-residents, taxability of capital gains would be subject to beneficial provisions of the applicable Double Taxation Avoidance Agreement (‘DTAA’).
- 2.2 The taxability as per the provisions of the Act is discussed below.
  - 2.2.1 Nature of capital gains as per the provisions of the Act
    - As per the provisions of the Act, for the purpose of determining as to whether the capital gains are short-term or long-term in nature:
      - Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
      - Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).
  - 2.2.2 Capital gains on Buyback of shares are governed by the provisions of section 46A of the Act. As per the provisions of section 46A, Buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Act, the difference between the cost of acquisition and the value of consideration received by the shareholders shall be deemed to be the capital gains in the Year in which such shares were purchased (i.e. Buyback, in this case) by the company.

### **Buyback of shares through a recognized stock exchange**

2.3. Where transaction for transfer of such equity shares (i.e. Buyback, in this case) is entered into through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):

- LTCG arising from such transaction would be exempt under section 10(38) of the Act; and
- STCG arising from such transaction would be subject to tax @15% under section 111A of the Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

- In case of foreign companies and FIIs: Surcharge @ 5% is leviable where the total income exceeds INR 10 crores and @ 2% where the total income exceeds INR 1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- In case of other non-resident assesseees (i.e. other than foreign companies): Surcharge @ 12% is leviable where the total income exceeds INR 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds INR 10 crores and @ 7% where the total income exceeds INR 1 crore is leviable in all cases. Further Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- In case of resident assesseees (i.e. other than domestic companies): Surcharge @ 12% is leviable where the total income exceeds INR 1 crore. Also, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable.
- All the above rates (especially for non-residents) are to be read subject to the provisions of Section 206AA of the Act.

### **3. SHARES HELD AS STOCK-IN-TRADE**

If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Act would not apply.

#### **3.1 Resident Shareholders**

3.1.1 For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.

3.1.2 For a domestic company, gain arising from transfer of shares held as stock in trade will be chargeable under the head "Profit and gains of business or profession" as per the provision of Act. Surcharge, Education and Secondary Higher Education cess will be applicable as specified above in para 2.3.

#### **3.2 Non Resident Shareholders**

3.2.1 For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.

3.2.2 Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
- For foreign companies, profits would be taxed in India @ 40%
- For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%
- There is a separate chapter dealing with the taxability of FIIs

In addition to the above, in the case of foreign companies and FIIs, Surcharge @ 5% is leviable where the total income exceeds Rs.10 crores and @ 2% where the total income exceeds Rs. 1 crore. In all other cases, Surcharge @ 12% is leviable where the total income exceeds Rs. 1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

#### **4. TAX DEDUCTION AT SOURCE**

##### **4.1 In case of Resident Shareholders**

In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

##### **4.2 In case of Non-resident Shareholders**

Since the Buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains, if any, is on the non-resident shareholder. Further, the non-resident shareholder shall keep the company indemnified against any tax liability arising on the Company as a result of any income earned on such Buyback of shares by the Company.

#### **5. THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.**

### **22. DECLARATION BY THE BOARD OF DIRECTORS**

Declaration as required under clauses (ix) and clause (x) of Part A of Schedule II to the SEBI Buyback Regulations

The Board of Directors made the below mentioned declaration as on the date of passing the board resolution approving the Buyback i.e. April 25, 2017:

- i. There are no defaults subsisting in the repayment of deposits, 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 payable thereon to any financial institution or banking company, in the last three years; and
- ii. That immediately following the date of this Board Meeting, and the date on which the results of the Postal Ballot will be declared, approving the Buy Back, there will be no grounds on which the Company could be found unable to pay its debts;
- iii. That as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot or e-voting will be declared, approving the Buy Back, 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 approving the Buy Back or within a period of one year from the date on which the results of the Postal Ballot or e-voting will be declared, as the case may be; and
- iv. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act.

**For and on behalf of the Board of Directors of Company**

**Sd/-**

**Name: Vishnu Rampratap Dusad**

**Managing Director & CEO**

**DIN: 00008412**

**Sd/-**

**Name: Prithvi Pal Singh Haldea**

**Independent Director**

**DIN: 00001220**



## 23. AUDITORS CERTIFICATE

The text of the Report addressed by the Statutory Auditor dated April 25, 2017 received from M/s B S R & Associates LLP, Chartered Accountants, Statutory Auditors of the Company, addressed to the Company is reproduced below:

*Quote*

### Auditor's Report

To,

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

Dear Sirs / Madam,

**Subject: Report in terms of Clause (xi) of Schedule II to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended**

1. This Report is issued in accordance with the terms of our engagement letter dated 25 April 2017. 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 25 April 2017, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") and the SEBI Buyback Regulations.
2. The accompanying Statement of permissible capital payment (including premium) ('Annexure A') as at 31 March 2017 (hereinafter referred together as the "Statement") is prepared by the management, which we have initialed for identification purposes only.

### **Management's 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 Management 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

### **Auditors' Responsibility**

4. 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 financial statements as at and for the year ended 31 March 2017;
  - (ii) if the amount of the permissible capital payment for the proposed buy-back of equity shares is properly determined considering the audited standalone financial statements for the year ended 31 March 2017; and
  - (iii) if the Board of Directors in their meeting dated 25 April 2017, have formed the opinion as specified in clause (x) of Schedule II 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.

5. The standalone financial statements referred to in paragraph 4 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated 25 April 2017. 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.
6. 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.
7. 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
8. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

### **Opinion**

9. 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 Financial Statements as at and for the year ended 31 March 2017 which has been approved by the Board of Directors of the Company on 25 April 2017.
  - (ii) The Board has proposed to buyback the Company’s equity shares upto an aggregate amount not exceeding Rs. 1,177,933,000/- (“Maximum Offer Size”) at a price not exceeding Rs. 350/- per equity share (Maximum Buyback Price”). The amount of permissible capital payments 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 25 April 2017 have formed their opinion, as specified under Clause (x) of Part A of Schedule II 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.
10. 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.

### **Restriction on use**

11. 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.

Place: Gurgaon  
Date :25 April 2017

**Rakesh Dewan**  
Partner  
Membership No: 092212

**Annexure A**

<b>Particulars</b>	<b>Amount (Rs)</b>
Paid up equity share capital as on 31 March 2017 (32,383,724 equity shares of face value Rs. 10/- each)	323,837,240
Free reserves as on 31 March 2017	
- Securities Premium account	21,901,489
- General Reserves	822,708,220
- Profit & Loss account	3,543,285,439
<b>Total</b>	<b>4,711,732,388</b>
Maximum amount permissible under the Act / Buyback Regulations subject to Shareholders approval:	
25% of the total Paid up equity share capital and free reserves, if the buyback is carried through tender offer route (in accordance with the Chapter III of the Buyback Regulations and Section 68(2)(c) of the Act)	1,177,933,000
Maximum amount permitted by Board Resolution dated 25 April 2017 approving the Buyback, subject to shareholders approval, based on the audited accounts for the year ended 31 March 2017	1,177,933,000

***Unquote***

**24. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at the Corporate Office of the Company at: A-39, Sector-62, Noida, Uttar Pradesh – 201 307 between 10:00 a.m. and 5:00 p.m. on all working days (Monday to Friday) during the offer period except Saturday, Sunday and Public holidays:

1. Certificate of Incorporation of the Company
2. Memorandum and Articles of Association of the Company.
3. Annual report of the Company for the Financial Years 2017, 2016 and 2015.
4. Copy of resolution passed by the Board of Directors at their meeting held on April 25, 2017 and the resolution passed by the Buyback Committee on June 16, 2017.
5. Certified true copy of the resolution along with Scrutinizer's Report of the Shareholders passed by way of postal ballot dated June 15, 2017.
6. Copy of report dated April 25, 2017 received from M/s B S R & Associates LLP, the Statutory Auditors of the company, in terms of the SEBI Buyback Regulations.
7. Public Announcement dated June 17, 2017 published on June 19, 2017.
8. Declaration of solvency and affidavit in form SH-9 dated April 25, 2017, as prescribed under section 68(6) of the Companies Act
9. SEBI letter no. [●] dated [●], 2017.

**25. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS**

In case of any grievance relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit etc.) the investor can approach the Compliance Officer or Manager to the Buyback and/ or Registrar to the Buyback.

If the Company makes any default in complying with the provisions of Section 68 of the Act or Rules thereunder, or SEBI Buyback Regulations, the Company or any officer of the Company who is in default shall be punishable in accordance with the provisions of the Act and Regulations

**(i) Details of the Compliance Officer**

Name: Ms. Poonam Bhasin  
Designation: Company Secretary and Compliance Officer  
Address: A-39, Sector-62,  
Noida, Uttar Pradesh – 201307  
Tel: + 91-120-4031400  
Fax: + 91-120-4031672  
Email: [poonam@nucleussoftware.com](mailto:poonam@nucleussoftware.com)

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and Public holidays.

**(ii) Details of the Registrar of Companies**

Registrar of Companies, NCT Delhi & Haryana  
4th Floor, IFCI Tower 61 Nehru Place,  
New Delhi - 110 019.  
Phone: +91 11 2623 5707 - 09

**26. DETAILS OF INVESTOR SERVICE CENTRE AND REGISTRAR TO THE BUYBACK OFFER**

In case of any query, the Eligible Shareholders may also contact the Registrar & Share Transfer Agent of the Company or the Compliance Officer/Investor relation team of the Company during working hours i.e. 10:00 a.m. to 5:00 p.m. on all working days at the following address except Saturday, Sunday and public holidays.



**Karvy Computershare Private Limited**  
Karvy Selenium Tower B, Plot number 31 & 32,  
Financial District, Nanakramguda,  
Seriligampally Mandal, Hyderabad-500 032  
Tel. : +91 40 23420815-18  
Fax : +91 40 23420814  
E-mail : [murali.m@karvy.com](mailto:murali.m@karvy.com)  
Website [www.karvycomputershare.com](http://www.karvycomputershare.com)  
Contact Person : Mr. M. Murali Krishna

**27. DETAILS OF THE MANAGER TO THE BUYBACK**



**SPA Capital Advisors Limited**  
SEBI Regn. No.: INM000010825  
25, C - Block, Community Centre  
JanakPuri, New Delhi - 110 058  
Tel. No. +91 11 2551 7371, 4567 5500  
Fax No. +91 11 2553 2644  
Email: [nucleus.buyback@spagroupindia.com](mailto:nucleus.buyback@spagroupindia.com)  
Website: [www.spacapital.com](http://www.spacapital.com)  
Contact Person: Ms. Anchal Lohia

**28. DIRECTORS RESPONSIBILITY STATEMENT**

As per Regulations 19(1)(a) of the SEBI Buyback Regulations, the Board of Directors of the Company accepts responsibility for the information contained in this Draft Letter of Offer. This Draft Letter of Offer is issued under the authority of the Board in terms of the resolution passed by the Board on April 25, 2017.

For and on behalf of  
**Nucleus Software Exports Limited**

Sd/-  
**Vishnu Rampratap Dusad**  
Managing Director & CEO  
DIN:00008412

Sd/-  
**Prithvi Pal Singh Haldea**  
Independent Director  
DIN: 00001220

Sd/-  
**Ms. Poonam Bhasin**  
Company Secretary  
Membership No. A10865

Place: Noida/Mumbai  
Date: June 23, 2017