



CALIFORNIA SOFTWARE COMPANY LIMITED

Our Company was incorporated as “California Software Company Limited” under the Companies Act, 1956, and a certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu, on February 6, 1992. Further, our Company received a certificate of commencement of business from the Registrar of Companies, Tamil Nadu, on October 19, 1992. For details, in respect of change in the Registered Office of our Company, please see the chapter titled “General Information” on page 44 of this Draft Letter of Offer.

Registered Office: Workflo, Greta Towers, Industrial Estate, Perungudi, OMR Phase 1, Chennai – 600 096, Tamil Nadu, India.

Tel. No.: +91 94448 60882; **Fax No.:** N.A.; **Email ID:** investor@calsoftgroup.com

Contact Person: Mr. Krishnamoorthy Venkatesan, Company Secretary and Compliance Officer

Tel: +91 94448 60882; **Email-ID:** investor@calsoftgroup.com; **Website:** www.calsofts.com;

Corporate Identification Number: L72300TN1992PLC022135

OUR PROMOTER: DR. M. VASUDEVAN			
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF CALIFORNIA SOFTWARE COMPANY LIMITED (OUR “COMPANY” OR “THE ISSUER”) ONLY			
<p>ISSUE OF UP TO [●] PARTLY PAID-UP* EQUITY SHARES OF FACE VALUE OF ₹10.00/- (“RIGHTS EQUITY SHARES”) OF OUR COMPANY EACH AT A PRICE OF ₹[●]/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●]/- PER RIGHTS EQUITY SHARE) (“ISSUE PRICE”) FOR AN AMOUNT NOT EXCEEDING ₹4,990.00 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS (THE “ISSUE”) AS ON THE RECORD DATE, THAT IS, [●]. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 134 OF THIS DRAFT LETTER OF OFFER.</p> <p><i>*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares</i></p>			
WILFUL DEFAULTERS OR FRAUDULENT BORROWER			
Neither our Company, nor our Promoter or Directors are categorised as wilful defaulters or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India.			
AMOUNT PAYABLE PER RIGHTS EQUITY SHARE	FACE VALUE (₹)	PREMIUM (₹)	TOTAL (₹)
On Application	[●]	[●]	[●]
One or more subsequent calls as may be decided by the Board from time to time	[●]	[●]	[●]
Total	10.00	[●]	[●]
* For further details on Payment Schedule, see “Terms of the Issue” on page 134 of this Draft Letter of Offer.			
GENERAL RISK			
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 22 of this Draft Letter of Offer.			
OUR COMPANY’S ABSOLUTE RESPONSIBILITY			
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.			
LISTING			
The existing Equity Shares are listed on BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) (and together known as “Stock Exchanges”). Our Company has received ‘in-principle’ approvals from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letter dated [●] and [●] respectively. Our Company will also make applications to the BSE and NSE to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is NSE.			
REGISTRAR TO THE ISSUE			
 <p>Integrated since 1974 Investments Simplified</p>	<p>INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED 2nd Floor, Kences Towers, 1, Ramakrishna Street, North Usman Road T Nagar, Chennai – 600 017, Tamil Nadu, India Tel No: 044 – 2814 0801/803; Fax No: 044 – 2814 2479 Email: calsoft@integratedindia.in Investors Grievance E-mail: yuvraj@integratedindia.in Website: www.integratedindia.in Contact Person: Mr. S Yuvraj SEBI Registration Number: INR000000544</p>		
	ISSUE PROGRAMME		
	ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSURES ON**
	[●]	[●]	[●]

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

** Our Board or the Rights Issue Committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will be deemed to include all amendments, supplements, re-enactments and modifications thereto from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder. The words and expressions used but not defined in this Draft Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

The following list of capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

The Terms used in “Summary of Draft Letter of Offer”, “Consolidated Audited Financial Information”, “Statement of Tax Benefits”, “Outstanding Litigations and Material Developments” and “Terms of the Issue” on pages 18, 87, 60, 118 and 134 respectively of this Draft Letter of Offer, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections.

General Terms

Term	Description
“Company”, “Our Company”, “the Company”, or “CSCL”	California Software Company Limited, a public limited company incorporated under the Companies Act, 1956 whose registered office is situated at Workflo, Greeta Towers, Industrial Estate, Perungudi, OMR Phase 1, Chennai – 600 096, Tamil Nadu, India
“We”, “Our”, “Us”, or “our Group”	Unless the context otherwise requires, indicates or implies or unless otherwise specified to Our Company, as applicable, as at and during the relevant Financial Year.

Company Related Terms

Term	Description
AoA/Articles of Association	The Articles of Association of California Software Company Limited, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations
Auditors/ Statutory Auditors	The current statutory auditors of our Company, M/s K. Gopal Rao & Co., Chartered Accountants
Board of Directors / Board	Board of Directors of our Company
Chairman & Non- Executive Director	Mr. Frederick Ivor Bendle
Chief Executive Officer/ CEO / Managing Director	The Managing Director and Chief Executive Officer of our Company is Mr. M. Vasudevan
Chief Financial Officer/ CFO / Executive Director	The Executive Director and Chief Financial Officer of our Company is Ms. Manimala V
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Mr. Krishnamoorthy Venkatesan
Consolidated Audited Financial Statements	The consolidated audited financial statements of our Company and its subsidiary company prepared in accordance with Ind-AS for the year ended on March 31, 2024 (along with comparatives for the year ended March 31, 2023) prepared in accordance with Ind-AS which comprises the consolidated Statements of Assets and Liabilities as at March 31, 2024 and March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive

Term	Description
	income, the consolidated statement of cashflows and the consolidated statement of changes in equity for the year ended March 31, 2024 and March 31, 2023, and notes to the consolidated audited financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon, as notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Equity Shares	Equity shares of the Company having face value of ₹10.00 (Rupees Ten only)
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 82 of this Draft Letter of Offer
ISIN	International Securities Identification Number being INE526B01014
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to section titled “ <i>Our Management</i> ” beginning on page 82 of this Draft Letter of Offer
Materiality Policy	Policy on Determination and Disclosure of Materiality of Events and Information and Web Archival Policy’ adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI (LODR) Regulations, read with the ‘Policy on Determination of Materiality of Litigation’ revised and adopted by the Board through its resolution dated January 25, 2022, for the purpose of litigation disclosures in this Draft Letter of Offer
MoA/ Memorandum of Association	The Memorandum of Association of California Software Company Limited, as amended from time to time
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations. For details, see “ <i>Our Management</i> ” on page 82 of this Draft Letter of Offer.
Non-Executive Director	A Director, not being an Executive Director of our Company
Promoter	Dr. M. Vasudevan
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the Stock Exchanges under the SEBI (LODR) Regulations
OCRPS	Optionally Convertible Redeemable Preference Shares of the Company having face value of ₹10.00 (Rupees Ten only)
Registered Office	Workflo, Greta Towers, Industrial Estate, Perungudi OMR Phase 1, Chennai - 600 096, Tamil Nadu, India
Registrar of Companies/ RoC	Registrar of Companies, Chennai, Tamil Nadu
Rights Issue Committee	The committee of our Board constituted for purposes of the Issue and incidental matters thereof on September 29, 2021
Senior Management	Vasudevan. M, CEO, V. Yeshwanth, Senior Manager
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations
Stock Exchanges	Stock exchange where the Equity Shares are presently listed, being NSE and BSE
Wholly Owned Subsidiary / Subsidiary Company	Aspire Communications Private Limited
Whole Time Directors	Dr. Manimala V and Mr. Vijayakumar

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	The Abridged Letter of Offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment or Allot or Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying credit to the escrow account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Account Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●]
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer, including an ASBA Investor
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable at the time of Application, i.e., ₹[●] per Rights Equity Share in respect of the Rights Equity Shares applied for in this Issue
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by Applicant(s) to make an application authorising the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Applicant/ ASBA Investors	Eligible Equity Shareholders who make an application to subscribe to the Issue through ASBA process
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
Banker(s) to the Issue	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being [●]
Banker(s) to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where

Term	Description
	applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange in this Issue, as described in “Terms of the Issue” on page 134 of this Draft Letter of Offer.
Call(s)	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making a payment of the Call Monies
Call Money(ies)	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Schedule, being ₹ [●] per Rights Equity Share ([●]% of Issue Price) after payment of the Application Money
Call Record Date	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)
Draft Letter of Offer/DLoF/DLOF	This Draft Letter of Offer dated July 17, 2024 filed with the Stock Exchanges, for its observations and in-principle approval.
Eligible Equity Shareholder(s)	Existing Equity Shareholders as at the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, please see “Notice to Investors” on page 12 of this Draft Letter of offer
Equity Shareholder(s) or Shareholders	Holder(s) of the Equity Shares of our Company
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the escrow account will be opened, in this case being, [●]
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations
Issue or Rights Issue	<p>This issue of up to [●] partly paid-up Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹[●] (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹4990 Lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date.</p> <p><i>*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares</i></p> <p>On Application, Investors will have to pay ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price and the balance ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price, will have to be paid, on one or more subsequent calls as may be decided by our Board from time to time</p>
Issue Closing Date	[●] [●], 2024

Term	Description
Issue Materials	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●] [●], 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Application, in accordance with the SEBI ICDR Regulations.
Issue Price	₹[●] per Equity Share On Application, investors will have to pay ₹[●] per Rights Equity Share which constitutes [●]% of the Issue Price and the balance ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price, will have to be paid, on one or more subsequent calls as may be decided by our Board from time to time
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to [●] Rights Equity Shares aggregating up to ₹ 4990 Lakhs* <i>*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares</i>
Letter of Offer	The Letter of Offer dated [●] to be filed with the Stock Exchanges and SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations and along with SEBI circular bearing reference number CIR/CFD/CMD/6/2015 dated October 13, 2015
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please see “Objects of the Issue” on page 51 of this Draft Letter of Offer
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●]
Payment Schedule	Payment schedule under which [●]% of the Issue Price is payable on Application, i.e. ₹[●] per Rights Equity Share and the balance ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price, will have to be paid, on one or more subsequent calls as may be decided by our Board from time to time.
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares in the Issue, being [●], [●]
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being [●]
Registrar Agreement	Agreement dated [●] between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Issue	Integrated Registry Management Services Private Limited

Term	Description
Renounee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date
Rights Entitlement(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder, excluding any fractional entitlements. The Rights Entitlements with a separate ISIN: [●] will be credited to the respective demat account of Eligible Equity Shareholder before the Issue Opening Date, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date
Rights Equity Shares	Equity Shares to be Allotted pursuant to this Issue
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company.
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE Limited and National Stock Exchange of India Limited (NSE)
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalisation of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Industry Related Terms

Term/Abbreviation	Description/ Full Form
ACC	Advanced Chemistry Cell
AI	Artificial Intelligence
ARAI	Automotive Research Association of India
B2B	Business-to-business (B2B) is a transaction or business conducted between one business and another, such as a wholesaler and retailer
B2C	The term business-to-consumer (B2C) refers to the process of selling products and services directly between a business and consumers who are the end-users

Term/Abbreviation	Description/ Full Form
BCG	Boston Consulting Group
BE	Bachelor of Engineering
BFSI	Banking, Financial Services and Insurance
BHEL	Bharat Heavy Electricals Limited
BHIM	Bharat Interface for Money
BPM	Business Process Management
CAGR	Compound Annual Growth Rate
CAIT	Confederation of All India Traders
CFPI	Consumer Food Price Index
CMTI	Madras, Central Manufacturing Technology Institute
CPI	Consumer Price Index
CSPs	Communication Service Providers
CSS	Cascading Style Sheets
D2C	e-commerce is when manufacturers/producers sell their products online directly to end- consumers
DGFT	Directorate General of Foreign Trade
DOM	Deep Ocean Mission
DPIIT	Department for Promotion of Industry and Internal Trade
EIB	European Investment Bank
ESDM	Electronics System Design & Manufacturing
E commerce	E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet
FC	Fulfilment Centre
FDI	foreign direct investment
FPIs	Foreign portfolio investors
FTA	Fault Tree Analysis
GDP	Gross domestic product
GeM	Government e-Marketplace
GMV	Gross Merchandise Value
GoI	Government of India
G-secs	Government Securities
GST	Goods and Services Tax
GVA	Gross Value Added
GW	Giga-Watt
HCL	Hindustan Computers Limited
HMT	Hindustan Machine Tools
IAMAI	Internet and Mobile Association of India
iCAT	Automotive Technology
IIGF	India Internet Governance Forum
IIP	Index of Industrial Production
IT	Information Technology
ITES	Information Technology Enabled Services
JSW	Jindal South West
LED	Light Emitting Diode
MeghEA	Meghalaya Enterprise Architecture Project
MeitY	Ministry of Electronics and Information Technology
MMF	Man-Made Fibre
MoU	Memorandum of understanding
MSME	Micro, Small & Medium Enterprises
NASSCOM	National Association of Software and Service Companies
NEAT	National Educational Alliance for Technology

Term/Abbreviation	Description/ Full Form
NIELIT	National Institute of Electronics & Information Technology
NIXI	National Internet Exchange of India
ONDC	Open Network for Digital Commerce
PAN	Permanent Account Number
PCB&W	Personal Care, Beauty and Wellness
PE-VC	Private Equity - Venture Capital
PLI	Production-Linked Incentive
PMI	Purchasing Managers' Index
PoS	A Point of Sale is a place where a customer executes the payment for goods or services and where sales taxes may become payable
PPP	Purchasing Power Parity
PSUs	Power Supply Unit
PV	Photo Voltic
RBI	Reserve Bank of India
SaaS	Software as a service (SaaS) is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted
SDLs	State Development Loans
STPI	Software Technology Park of India
TCS	Tata Consultancy Services
UAE	United Arab Emirates
UK	United Kingdom
US	United States of America
YoY	Year-Over-Year

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
₹ or Rs. or Rupees or INR	Indian Rupee
Adjusted Loans and Advances	Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company
Adjusted EBITDA	Adjusted earnings before interest, taxes, depreciation, and amortisation
AIF(s)	Alternative Investment Fund, as defined and registered with SEBI under the SEBI AIF Regulations
AS or Accounting Standards	Accounting standards issued by the ICAI
BSE	BSE Limited
CAGR	Compounded annual growth rate
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identity Number

Term/Abbreviation	Description/ Full Form
Civil Code	The Code of Civil Procedure, 1908
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
Companies Act or Companies Act, 2013	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications notified thereunder
Companies Act 1956	The Companies Act, 1956, read with the rules, regulations, clarifications and modifications notified thereunder
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP / Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository Participant Identity
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EGM	Extraordinary General Meeting
EPF	Employees' Provident Fund
EPFO	Employees' Provident Fund Organisation
EPS	Earnings Per Share
EUR	Euro
FCNR Account	Foreign Currency Non-Resident (Bank) Account
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year / FY	Period of 12 months ending March 31 of that particular year
FDI Policy	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020 issued by DPIIT, effective from October 15, 2020
FIR	First Information Report
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors registered under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
GAAP	Generally Accepted Accounting Principles in India
Gazette	Official Gazette of India
GDP	Gross Domestic Product
GIR	General Index Register
GOI	Government of India
Government	Central Government and/ or the State Government, as applicable
GST	The Goods and Services Tax
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
Income-tax Act	The Income Tax Act, 1961
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
India	Republic of India
ISIN	International Securities Identification Number

Term/Abbreviation	Description/ Full Form
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
Net Worth	The aggregate value of the equity share capital, other equity and non-controlling interests
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE	Non- Residential External
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non- Resident Ordinary
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in this Issue
OCI	Overseas Citizen of India
p.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PMLA	The Prevention of Money Laundering Act, 2002
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
RoC	Registrar of Companies, West Bengal at Kolkata
ROE	Return on Equity
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

Term/Abbreviation	Description/ Full Form
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
Securities Act	The United States Securities Act of 1933
Stamp Act	The Indian Stamp Act, 1899
STT	Securities Transaction Tax
State Government	Government of a State of India
TAN	Tax deduction account number
TDS	Tax deductible at source
Trademarks Act	Trade Marks Act, 1999
USD	United States Dollar
U.S./USA/United States	United States of America, its territories or possessions, any state of the United States, and the District of Columbia
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
w.e.f.	With Effect From
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively “**Issue Material**”) and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and will send / dispatch the Issue Material only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and sent / dispatched, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar to the Issue, our Company and the Stock Exchanges. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent to the registered email addresses of such Eligible Equity Shareholders

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Material or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Material will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Material must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Material to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of the Issue Material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Material or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF

THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR TO THE ISSUE. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references to “India” contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Consolidated Audited Financial Statements of our Company and our subsidiary company as of and for the financial year ended March 31, 2024.

We have prepared our Consolidated Audited Financial Statements of our Company and our subsidiary company as of and for the financial year ended March 31, 2024 in accordance with Ind AS, Companies Act, and other applicable statutory and / or regulatory requirements. Our Company publishes its financial statements in Indian Rupees.

We have prepared our Consolidated Audited Financial Statements in accordance with Ind AS in accordance with Ind AS 34 prescribed under the Section 133 of the Companies Act, 2013. We publish our Annual Financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited

There are significant differences between Ind AS and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer and it is urged that you should consult your own advisors regarding such differences and their impact on our Company’s financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. Prospective Investors are advised to consult their advisors before making any investment decision.

For details of the Consolidated Audited Financial Statements for the financial year ended March 31, 2024, please refer to the section titled “*Financial Information*” beginning on page 87 of this Draft Letter of Offer.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” or “Re.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euro, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in “Lakhs” units or in whole numbers. One Thousand represent 1,000, One Lakh represents 1,00,000 and one million represents 10,00,000. All the numbers in the document have been presented in Lakhs or in whole numbers where the numbers have been too small to present in Lakhs. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Consolidated Audited Financial Information.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	March 28, 2024*	March 31, 2023
1 USD	83.37	82.22
1 Euro	90.22	89.61

(Source: www.rbi.org.in and www.fbil.org.in)

* March 29, 30 and 31 being holidays, exchange rate is not available

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 22 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD - LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology including anticipate, believe, continue, can, could, estimate, expect, future, forecast, intend, may, objective, plan, potential, project, pursue, shall, should, target, will, would or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward- looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward - looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

1. Any adverse changes in central or state government policies;
2. Any adverse development that may affect our operations in Chennai;
3. Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
4. Loss of one or more of our key customers and/or suppliers;
5. An increase in the productivity and overall efficiency of our competitors;
6. Our ability to maintain and enhance our brand image;
7. Our reliance on third party suppliers for our products;
8. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
9. Changes in technology and our ability to manage any disruption or failure of our technology systems;
10. Our ability to attract and retain qualified personnel;
11. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. The performance of the financial markets in India and globally;
13. Any adverse outcome in the legal proceedings in which we are involved;
14. Occurrences of natural disasters or calamities affecting the areas in which we have operations;
15. Market fluctuations and industry dynamics beyond our control;
16. Our ability to compete effectively, particularly in new markets and businesses;
17. Changes in foreign exchange rates or other rates or prices;
18. Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
19. Other factors beyond our control;
20. Our ability to manage risks that arise from these factors;
21. Conflict of interest with our Subsidiary, Promoter and other related parties;
22. Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
23. Termination of customer/works contracts without cause and with little or no notice or penalty; and
24. Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 22, 70 and 113 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management’s beliefs and assumptions,

which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Draft Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI (ICDR) Regulations and our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures and terms of the Issue included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including “*Risk Factors*”, “*Objects of the Issue*”, “*Our Business*” and “*Outstanding Litigation and Material Developments*” on pages 22, 51, 70 and 118 respectively.

SUMMARY OF INDUSTRY

The IT & BPM sector has become one of the most significant growth catalysts for the Indian economy, contributing significantly to the country’s GDP and public welfare. The IT industry accounted for 7.5% of India’s GDP in FY23, and it is expected to contribute 10% to India’s GDP by 2025.

As innovative digital applications permeate sector after sector, India is now prepared for the next phase of growth in its IT revolution. India is viewed by the rest of the world as having one of the largest Internet user bases and the cheapest Internet rates, with 76 crore citizens now having access to the Internet.

The current emphasis is on the production of significant economic value and citizen empowerment, thanks to a solid foundation of digital infrastructure and enhanced digital access provided by the Digital India Programme. India is one of the countries with the quickest pace of digital adoption. This was accomplished through a mix of government action, commercial innovation and investment, and new digital applications that are already improving and permeating a variety of activities and different forms of work, thus having a positive impact on the daily lives of citizens.

India’s rankings improved six places to the 40th position in the 2022 edition of the Global Innovation Index (GII).

For further details, please refer to the chapter titled “Industry Overview” at page 63 of this Draft Letter of Offer.

PRIMARY BUSINESS OF OUR COMPANY

We are engaged in the business of Business Analytics and Software development Information Technology (IT). We believe that we specialize in offering software as a service (SaaS), which is fastest-growing segments in the IT industry.

We are focused on providing end-to-end capabilities at scale across the full spectrum of professional services—spanning strategy, consulting, digital, blockchain, gaming, technology and operations. Our services is segmented by business applications type including business intelligence and analytics, e- commerce, Point of Sale (PoS), Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Human Capital Management (HCM), Supply Chain Management (SCM), Unified Communication & Collaboration (UC&C), finance and accounting, Enterprise Content Management (ECM), collaboration, and other enterprise applications such as Risk & compliance management, Product Lifecycle Management (PLM) and Enterprise Performance Management (EPM). We offer our services across various industries Retail, Banking, Manufacturing, etc.

For further details, please refer to the chapter titled “Our Business” at page 70 of this Draft Letter of Offer.

OUR PROMOTERS

The Promoter of our Company is Dr. M. Vasudevan.

OBJECTS OF THE ISSUE

Our Company intends to utilise the Net Proceeds from the Issue towards funding of the following objects:

Particulars	Estimated amount (up to) (₹ Lakhs)
Adjustment of unsecured loans against the Rights Entitlement of the Promoter	900.00
To meet working capital requirements	3000.00
General corporate purposes*	[•]
Total Net Proceeds	[•]

* The amount utilised for general corporate purpose shall not exceed 25% of the Gross Proceeds

For further details, please see "Objects of the Issue" on page 51 of this Draft Letter of Offer.

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTER

Our Promoter have *vide* their letters dated July 10, 2024, confirmed that they intend to: (a) subscribe to the full extent of their Rights Entitlements and not renounce their Rights Entitlement; and (b) subscribe to, any Rights Entitlement renounced in his favour if any, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. Further, our Promoter reserve the right to apply for, and subscribe to, any additional Rights Equity Shares over and above their Rights Entitlements.

The allotment of Equity Shares of our Company subscribed by our Promoter in this Issue shall be eligible for exemption from open offer requirements in accordance with the SEBI Takeover Regulations and shall be in compliance with the Companies Act, the SEBI ICDR Regulations and other applicable laws.

Our Promoter have confirmed that subscription to Rights Equity Shares will not result in a change in control or the management of our Company, and any such subscription shall be subject to the aggregate shareholding of our Promoter of our Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of our Company after the Issue.

Summary of Consolidated Audited Financial Information

Following are the details as per the Consolidated Audited Financial Information as at and for the Financial Years ended on March 31, 2024 and March 31, 2023:

(₹ in Lakhs)

S. No.	Particulars	Audited	
		March 31, 2024	March 31, 2023
i.	Authorised Share Capital	17,500.00	17,500.00
ii.	Paid-up Capital	1,545.57	1,545.57
iii.	Net Worth attributable to Equity Shareholders	1,269.71	1,247.59
iv.	Total Revenue from Operations	428.03	276.41
v.	Profit / (Loss) after tax	62.35	22.12
vi.	Earnings per Share (basic & diluted) (in ₹)	0.40	0.14

vii.	Net Asset Value per Equity Share (in ₹)	8.21	8.07
viii.	Total Borrowings	831.40	636.56

For further details, please refer the section titled “*Consolidated Audited Financial Information*” on page 87 of this Draft Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATIONS

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter, our Directors and our Group Companies is provided below:

Litigations involving our Company:

- Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	NIL	NIL
Tax Proceedings	19	1551.91
Proceedings involving violations of statutory regulations by our Company	NIL	NIL
Labour Matters	NIL	NIL
Economic offences	NIL	NIL
Material civil litigations above the materiality threshold	NIL	NIL
Other civil litigation considered to be material by our Company’s Board of Directors	NIL	NIL

**To the extent quantifiable*

- Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	NIL	NIL
Direct Tax Matters	NIL	NIL
Indirect Tax Matters	NIL	NIL
Other civil litigation considered to be material by our Company’s Board of Directors	NIL	NIL

**To the extent quantifiable*

Litigations involving our Subsidiary Company

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Subsidiary company	NIL	NIL
Tax Proceedings	4	6.60
Proceedings involving violations of statutory regulations by our Subsidiary company	NIL	NIL
Labour Matters	NIL	NIL
Economic offences	NIL	NIL
Material civil litigations above the materiality threshold	NIL	NIL

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Other civil litigation considered to be material by our Subsidiary company's Board of Directors	NIL	NIL

Litigations involving our Promoter

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in Lakhs)
Criminal matters	NIL	NIL
Direct tax matters	4	648.86
Indirect tax matters	NIL	NIL
Other civil litigation considered to be material by our Company's Board of Directors	NIL	NIL
Proceedings involving statutory authorities against our promoter and director	NIL	NIL

For further details, please see “*Outstanding Litigation and Material Developments*” on page 118 of this Draft Letter of Offer.

RISK FACTORS

For details, please see “*Risk Factors*” on page 22 of this Draft Letter of Offer. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

SUMMARY OF CONTINGENT LIABILITIES

For details regarding our contingent liabilities please see “*Consolidated Audited Financial Information*” on page 87 of this Draft Letter of Offer.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details regarding our related party transactions as per Ind AS 24 entered into by our Company in Fiscal 2023, please see “*Consolidated Audited Financial Information*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Related party transactions*” on pages 87 and 113, respectively of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Draft Letter of Offer.

SPLIT OR CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

There has been no split or consolidation of equity shares in the last one year preceding the date of this Draft Letter of Offer.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 63, 70 and 113, respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue, has independently verified the information in the industry report or other publicly available information cited in this section.

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 16 of this Draft Letter of Offer

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Consolidated Audited Financial Information, prepared in accordance with Ind AS and the Companies Act and audited in accordance with the SEBI ICDR Regulations.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- Some events may not be material individually but may be found material collectively;*
- Some events may have material impact qualitatively instead of quantitatively; and*
- Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

INTERNAL RISK FACTORS

1. NSE has sought information from the Company Periodically, while no action has been taken yet, any action may affect Business Stability and Financial Performance

a. The company received an email dated August 14, 2023 from NSE highlighting the following errors and missing information. These communications outlined specific discrepancies requiring immediate attention, including:

- Missing standalone and consolidated cash flow statements and the consolidated balance sheet in the FY 2021-22 and FY 2022-23 annual reports.
- Absence of the qualified auditor's opinion in the FY 2021-22 annual report.
- Rationale for investing in the subsidiary company and its financials.
- Rationale for recognizing extraordinary/exceptional items in FY 2014-15 and FY 2018-19.
- Errors in the asset schedule and details of assets in FY 2020-21.
- Sales details for the past three years.
- Related party transactions.
- Details of secretarial and professional fees and other expenses.
- Reason for the significant ROC fees paid.
- Liability towards capital goods.

These issues are critical for maintaining transparency and regulatory compliance.

In response, the company promptly undertook corrective actions and provided responses on July 31, 2023, including:

- Inclusion of consolidated balance sheet and cash flow statements: The company incorporated these into the affected annual reports, ensuring full disclosure of consolidated financial activities.
- Incorporation of the qualified auditor's opinion: The previously omitted qualified auditor's opinion was included to ensure accurate representation of the company's financial position.
- Provision of subsidiary financials: The financials of the subsidiary company were provided to address NSE's concerns.
- Correction of balance sheet errors: All identified errors in the balance sheet were rectified to uphold the accuracy and integrity of financial data.
- Resubmission of revised reports: The corrected annual reports were resubmitted to the NSE and BSE portals and uploaded to the company's website to ensure accessibility and regulatory compliance.
- Sales details for the past three years: Comprehensive sales data was provided.
- Related party transactions: A detailed report on related party transactions was submitted.

b. The company received an email dated August 14, 2023, requesting additional information regarding:

- The rationale for investing ₹311.37 lakhs in equity share capital of Aspire Communications Private Limited.
- Related party transactions and asset details.

In response, the company provided the required information on August 18, 2023.

c. The company received an email dated September 1, 2023, regarding the missing qualified auditor's opinion in the annual report. In response, the company submitted the explanation on September 14, 2023.

d. The company received an email dated October 3, 2023, requesting copies of purchase invoices for property, plant, and equipment, and a party-wise breakup of sales and trade receivables. The company provided the requested documents on October 17, 2023.

e. The company received an email dated October 31, 2023, regarding:

- Provision not recognized against receivables.
- Absence of trade receivables ageing in the FY 2021-22 and FY 2022-23 annual reports.
- Non-disclosure of contingent liabilities for FY 2021-22 and FY 2022-23.
- Disclosure of permanent employees in the FY 2022-23 annual report.

In response, the company provided the necessary explanations and disclosures on November 9, 2023.

f. The company received an email dated April 4, 2024, requesting the top three invoices with supporting documents for FY 2021-22. The company submitted the requested documents on April 5, 2024.

g. The company received an email dated April 18, 2024, requesting party-wise invoice copies for FY 2021-22. The company submitted all invoice copies on April 22, 2024.

The aforementioned issues may lead to monetary penalties or punitive actions by the NSE or SEBI, which could adversely impact the company's business operations, financial condition, and overall performance. Such consequences could also undermine the company's long-term stability and growth prospects.

2. There may have been instances of delays/ non-filing/ non-compliance in the past with certain statutory authorities with certain provision of statutory regulations applicable to us. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

In the past, there may have been instances of delays, non-filing, or non-compliance with certain statutory authorities and provisions of statutory regulations applicable to us.

We filed the financial results on 30.05.2022 for the financial year ended 31.03.2022 within the prescribed time limit of 60 days from the end of the financial year. This was the first year in which the auditor qualified the company's report, and the "Statement on Impact of Audit Qualifications" was not attached to the financial results. Upon realizing that the "Statement on Impact of Audit Qualifications" was missing, we promptly took steps to file it with the Stock Exchanges and successfully submitted it on 27.06.2022. For which NSE fined Rs. 1,25,000/- for the omission of the "Statement on Impact of Audit Qualifications". Company paid the fine to NSE.

Except as mentioned above, there was no delay of filing under SEBI LODR Regulations in last financial year with the stock exchanges and no legal proceedings or regulatory action has been initiated against our Company in relation to such non-compliance, instances of non-filings, incorrect filings, or delays in filing statutory forms with the RoC as of the date of this Draft Letter of Offer, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in the future.

We also cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect. If authorities impose monetary penalties on us or take punitive actions against our Company, or if any claim for gratuity matures, our business, financial condition, and results of operations could be adversely affected.

3. Our Company and our Subsidiary Company are involved in legal and other proceedings.

Our Company and our Subsidiary are currently involved in a number of legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable. The summary of pending litigation in relation to criminal proceedings, tax proceedings, arbitration matters, and actions by regulatory or statutory authorities, as well as other material pending litigation involving our Company and our Subsidiary, as of the date of this Draft Letter of Offer, has been set out below in the section entitled "*Outstanding Litigations and Material Developments*" on page 118 of this Draft Letter of Offer.

Any adverse decisions passed by the courts or tribunals against our Company or our Subsidiary could have an adverse effect on our business, future financial position, and results of operations.

Type of Proceedings	Number of cases	Amount (₹ in lakhs)
Cases against our Company		
Issues involving moral turpitude or criminal liability	NIL	NIL
Material violations of Statutory Regulations	NIL	NIL
Economic Offences against the Company	NIL	NIL
Tax proceedings:		
a) Defaults in the payment of Income Tax	15	1548.20
b) Tax Deducted at Source	4	3.71
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company:	-	-
Cases filed by our Company	NIL	NIL
Cases against our Subsidiary company		
Issues involving moral turpitude or criminal liability	NIL	NIL
Material violations of Statutory Regulations	NIL	NIL
Economic Offences against our Subsidiary company	NIL	NIL
Tax proceedings		
a) Defaults in the payment of Income Tax	3	0.44
b) Tax Deducted at Source	1	6.17
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company:	-	-
Cases filed by our Subsidiary company	NIL	NIL

4. Our business is dependent on developing and maintaining continuing relationships with our clients and customers. The loss of any significant client or customer could have a material adverse effect on our business, financial condition and results of operations.

Although we generally do not enter into long-term supply contracts with our customers, our business is dependent on developing and maintaining a continuing relationship with our key clients and customers. In the event of a significant decline in the demand for our products or services by our key clients, our business, results of operations, and financial condition may be materially and adversely affected. There can be no assurance that we will be able to maintain the historic levels of business from these clients and customers or that we will be able to replace these clients if we lose any of them.

5. Cyber-attacks or any failure, inadequacy and security breach in our information technology systems may adversely affect our business

Our business is particularly susceptible to disruptions due to our reliance on technology platforms and tools and the higher costs associated with the installation and implementation of technology. Our ability to operate and remain competitive will depend, in part, on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. We may experience difficulties in upgrading, developing, and expanding our systems quickly enough to accommodate our growing customer base and range of products.

Our operations also rely on the secure processing, storage, and transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software (including software licensed from vendors), and networks may be vulnerable to unauthorized access, computer viruses or other malicious code, and other events that could compromise data integrity and security and result in identity theft, including customer data, employee data, and proprietary business data, for which we could potentially be liable. Any failure to effectively maintain, improve, or upgrade our management information systems in a timely manner could adversely affect our competitiveness, financial position, and results of operations.

Moreover, if any of these systems do not operate properly or are disabled, or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention, or damage to our reputation. Additionally, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our business.

6. Our inability to assess, monitor and manage risks inherent in our business may have an adverse effect on our business and results of operations.

The effectiveness of our risk monitoring and management is limited by the quality, timeliness, and availability of data required for the assessment of risks, such as information regarding the market, customers, and proposed policy changes. Such data may not be accurate or complete in all cases, thereby affecting our ability to assess, monitor, and manage risks. Our risk management largely relies on the study of historical market behavior, and as a result, these studies may not predict future risk exposures accurately. Consequently, our risk management policies may not adequately address unidentified or unanticipated risks in all cases. Any inadequacy in the timely assessment and mitigation of risks may have an adverse effect on our business and results of operations.

7. Compliance with data privacy norms may require us to incur expenditure, which may adversely impact our financial condition and cash flows.

We are subject to data privacy laws, rules, and regulations that regulate the use of customer data. Compliance with these laws, rules, and regulations may restrict our business activities, require us to incur expenses, and devote considerable time to compliance efforts. The existing data privacy regulations limit the extent to which we can use personally identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules, and regulations are relatively new, and their interpretation and application remain uncertain.

Data privacy laws, rules, and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 (“PDP Bill”), applies to the processing of personal data that has been collected, disclosed, shared, or processed within India. It imposes restrictions and obligations on data fiduciaries dealing with personal data and provides for the levy of penalties for breaches of obligations prescribed under the PDP Bill. Changes or further restrictions in data privacy laws, rules, and regulations could have an adverse effect on our business, results of operations, and financial performance.

The cost and operational consequences of implementing further data protection measures could be significant, which may have an adverse effect on our business, results of operations, and financial performance.

8. If we fail to innovate in response to changing customer needs and adopt and develop new technologies, or adapt to evolving industry standards, our business, financial condition, and results of operations could be adversely affected.

We are engaged in an industry characterized by rapid technological innovation, evolving industry standards, frequent new service introductions, shifting distribution channels, and changing customer demands. We believe that the pace of innovation will continue to accelerate as customers increasingly base their business on cloud platforms. Our future success depends on our ability to continue to innovate and increase customer adoption of our platform in other areas. We need to continue to invest in technologies, services, and partnerships that increase

the types of data processed on our platform and enhance the ease with which customers can ingest data into our platform.

Furthermore, our software solution infrastructure may become obsolete due to the development of new systems to deliver power to or eliminate heat from the servers or as a result of the development of new server technology.

If we are unable to enhance our platform to keep pace with these rapidly evolving customer requirements, or if new technologies emerge that are able to deliver competitive products at lower prices, more efficiently, more conveniently, or more securely than our platform, our business, financial condition, and results of operations could be adversely affected.

9. Major fraud, lapses of internal control or failures on part of the employees and could adversely impact the company's business.

Our Company is vulnerable to risks arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure, and interception during transmission through external communication channels or networks. Failure to prevent fraud or breaches in security may adversely affect our Company's operations and financial performance. While, we have not faced such in last three financial year. However, if in future we face *lapses of internal control or failures on part of the employees*, our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers, or third parties.

10. We may become liable to our customers and lose customers if we have defects or disruptions in our service or if we provide poor service. We may also be liable in the event of misuse of our services or platforms.

We deliver technology as a service, and errors or defects in the software applications underlying our services, or a failure of our hosting infrastructure, may make our services unavailable to our customers. The majority of our contracts or service agreements involve projects that are critical to the operations of our clients' businesses. Any direct damages, expenses, costs, or obligations resulting from such failures could lead to substantial claims against us, regardless of our responsibility for the failure. Any errors, defects, disruptions in service, or other performance problems with our services, whether in connection with the day-to-day operation of our services, upgrades, or otherwise, could damage our customers' businesses.

If we encounter any errors, defects, disruptions in service, or other performance problems with our services, our customers could elect not to renew their contracts, or delay or withhold payments to us, and we could lose future sales. Furthermore, our customers may make claims against us, which could result in an increase in our provision for doubtful accounts, an increase in collection cycles for accounts receivable, or litigation costs. We may, in the future, experience misuse of our services or platforms. The occurrence of any such events could lead to user dissatisfaction and discourage the use of our products and services. Such events may also give rise to complaints and actions against us. All these factors could adversely affect our business and results of operations.

11. Our insurance coverage may not be sufficient or may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with and appropriate to our operations. However, our insurance policies may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions, and limits on coverage. Even if we have insurance for an incident giving rise to a loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage.

We cannot assure you that any claim under the insurance policies maintained by us will be fully honored, in part, or on time. Additionally, our insurance coverage expires from time to time. We apply for the renewal of our

insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at an acceptable cost, or at all. There are also various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes to our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows, and results of operations.

12. The e-commerce industry including software industry in India is highly competitive.

The e-commerce industry in India is an open and highly competitive market. While competitors are predominantly other domestic operators, an increasing number of international companies may enter the markets in which our Company operates and may share some of our competitive strengths. Some competitors may have access to greater financial resources or economies of scale, or may be able to source their merchandise from lower-cost suppliers, and therefore have a lower cost base or greater operational efficiencies, which may give them a competitive advantage over our Company.

The software industry in India is also highly competitive. We compete principally with leading Government-controlled companies, as well as private sector Indian companies and international companies. Some of our competitors are well-capitalized and have Government shareholding, which may enable them to compete more effectively than us.

We also face significant competition in the development of innovative products and solutions, including the development of new technologies. Accordingly, we expect competition in the software industry to increase, which could have a material adverse effect on our business, financial condition, cash flows, and results of operations. If our Company fails to respond effectively to competitive pressures and changes in its existing and new markets, or if it experiences delays or failures in the execution of its strategies due to any of these factors, our Company's business, financial performance, and results of operations may be adversely affected.

13. Our Statutory Auditors have included qualification in our Audited Consolidated Financial Statements as of and for Fiscal 2024 and 2023. There is no assurance that our auditors' reports for any future fiscal periods will not contain qualifications, matters of emphasis or other observations which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

Our Statutory Auditors have included the following qualification in our Audited Consolidated Financial Statements as of and for Fiscal 2023 and as of and for Fiscal 2024:

“1. Balances appearing in Current Tax Asset (net) amounting to Rs.380.02 Lakhs under Current Assets in the Standalone Financial Results are subject to reconciliation. The effect of the non-reconciliation is not quantifiable.

2. Balances appearing in Investment in Equity Instrument of Subsidiary amounting to Rs.311,38 Lakhs, grouped under the head Investments under Non-Current Financial Assets in the Standalone Financial Results, is subject to Impairment testing. The effect of Impairment loss for the said Investment is not quantifiable.

3. Balances appearing in Trade receivables amounting to Rs.1,713.63 Lakhs, under Current Financial Assets in the Standalone Financial Results are subject to reconciliation and confirmation from the customers. Consequent impact of non-collection of receivables shall impair GST exemption on Exports which needs to be provided. The effect of the non-confirmation / non-reconciliation is not quantifiable.”

The opinion of our Statutory Auditor are not modified in respect of these matters. There is no assurance that our auditors' reports for any future fiscal periods will not contain qualifications, matters of emphasis or other

observations which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

14. Significant challenges or delays in our Company's innovation and development of new products, technologies and indications could have an adverse impact on the Company's long-term success.

Our Company's continued growth and success depend on its ability to innovate and develop new and differentiated products and services that address the evolving technology needs of companies, providers, and consumers. Developing successful products and technologies is also necessary to offset revenue losses when our existing products lose market share due to various factors such as competition and loss of intellectual property rights. Our Company cannot be certain when or whether it will be able to develop, license, or otherwise acquire companies, products, and technologies, whether particular product candidates will be granted regulatory approval, and, if approved, whether the products will be commercially successful.

In all of these contexts, developing new products and healthcare devices requires significant investment of resources over many years. The process depends on many factors including the ability to discern patients' and healthcare providers' future needs; develop promising new compounds, strategies, and technologies; achieve successful clinical trial results; secure effective intellectual property protection; obtain regulatory approvals on a timely basis; and, if and when they reach the market, successfully differentiate the Company's products from competing products and treatments.

New products or enhancements to existing products may not be accepted quickly or significantly in the marketplace due to product and price competition, changes in customer preferences or purchasing patterns, resistance by healthcare providers, or uncertainty over third-party reimbursement. Even following initial regulatory approval, the success of a product can be adversely impacted by safety and efficacy findings in larger real-world patient populations, as well as the market entry of competitive products.

15. Our Registered Office is not owned by us. In the event we lose such rights, our business, financial condition and results of operations and cash flows could be adversely affected.

Our registered office, situated at Workflo, Greeta Towers, Industrial Estate, Perungudi, OMR Phase 1, Chennai 600 096, Tamil Nadu, India, is not owned by us and is leased from Oyo Workspaces India Pvt Ltd for a period of twelve months. We cannot assure you that we will be able to continue the above arrangement on commercially acceptable or favorable terms in the future. If we are required to vacate the current premises, we would need to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable or favorable terms.

If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations, and financial condition.

16. Our Company's infrastructure, including its network equipment and systems are vulnerable to natural disasters, security risks and other events that may disrupt its services and could affect its business, financial condition, cash flows and results of operations.

Our business depends on providing customized software to our customers. The delivery of our products and services, however, may be subject to disruptions resulting from numerous factors, including component failure, theft of fiber or cable and equipment, fire, explosion, flood, power failure, overheating or extreme cold, problems encountered during upgrades and major changes, leakage of customer data, the failure of key suppliers, signal jamming, acts of terrorism and vandalism, system failures, and breaches of network or information technology security. These disruptions could adversely affect our business, results of operations, and financial condition.

17. If we fail to develop and innovate our platform, products and solutions, our business, financial performance and prospects may be materially and adversely affected

The attractiveness of our platform, products and solutions depends on our ability to innovate. To remain competitive, we must continue to develop and expand our product and service offerings. In addition, new products and services and technologies developed and introduced by competitors could render our products obsolete if we fail to upgrade them. Furthermore, any new features and functions may contain undetected errors and may not achieve market acceptance at introduction. We may experience delays while developing and introducing new products and services for a variety of reasons, some of which may be beyond our control, such as difficulties in developing models, acquiring data and adapting to particular operating environments. We may not succeed in incorporating new technologies or may incur substantial expenses in order to do so. If we fail to develop, introduce, acquire or incorporate new features, functions or technologies timely and effectively, our products and services may lose appeal, be rejected or experience delayed acceptance by the market. Consequently, our business, financial performance and prospects could be materially and adversely affected.

18. The implementation process of our platform and solutions may in some cases be time consuming, and any failure of our products to satisfy our customers or perform as desired could harm our business, results of operations, cash flows and financial condition

Our platform, products and services are complex and may be deployed in a wide variety of network environments. Implementing our platform, products can be a complex and lengthy process. Inability to meet the requirements of our customers may result in customer dissatisfaction and/or damage to our reputation, which could materially harm our business. We have had instances of delays in the implementation of our software by our customers, leading to loss in revenue, particularly in cases where our revenues commence only from the day where our solution goes live.

Further, the proper use of our platform and products may require training of the customer and the initial or on-going services of our technical personnel over the contract term, which trainings are conducted currently on an as needed basis. If our training and/ or on-going services require more of our expenditures than we originally estimated, our margins may be lower than we anticipate. Further, if customer personnel are not well-trained in the use of our platform and products, customers may defer the deployment of our platform, products and services, may deploy them in a more limited manner than originally anticipated, or may not deploy them at all. If there is substantial turnover of the Company or customer personnel responsible for procurement and use of our platform and products, our platform and products may go unused or be adopted less broadly, and our ability to make additional sales may be substantially limited, which could negatively impact our business, results of operations, cash flows and financial condition.

19. We require working capital for our smooth day-to-day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favourable terms may have an adverse effect on our operations, profitability and growth prospects.

Our business requires a significant amount of working capital. We are also required to meet the increasing demand and for achieving the same, adequate stocks are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and

other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amount of receivables. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

20. There is difference in the names of our directors appearing on their KYC documents and MCA website.

Due to the practice in Southern India of including the initials of their fathers in their names, either before or after their own names, the following directors have different names appearing on their KYC documents compared to those appearing on the MCA website:

- Vijayakumar Madhavan: Our whole-time director, as per KYC documents (PAN card), is listed as Vijayakumar Madhavan. However, on the MCA website, he appears as Vijayakumar.
- R.S. Chandan: Our director, as per KYC documents (PAN card), is listed as R.S. Chandan. However, on the MCA website, he appears as Chandan. This might lead to confusion among people and authorities while communicating with the concerned person and might also lead to delays in the processes relating to regulatory as well as the business operations of our Company.

This discrepancy might cause confusion among people and authorities when communicating with the concerned person. Such confusion could potentially lead to delays in processes related to regulatory compliance and the business operations of our Company.

21. Some of our Directors have never filed their Income Tax Returns.

Our director, Ms. Annaganalaur Srimathi Venkata Narayanan, has declared that she has not filed her Income Tax Returns for the last ten years and has stated that her income is below the exemption limit. We were also unable to trace any outstanding demand or e-proceedings against her. If any adverse orders are passed against her in the future due to such non-filing, it might affect her credibility, which may in turn have an adverse impact on our business, future financial position, and results of operations.

22. Past disqualification of our two directors by Ministry of Corporate Affairs.

Our Promoter and Director, Mr. M. Vasudevan, and our Director, Ms. Manimala V., were disqualified by the Ministry of Corporate Affairs. In response, they filed writ petitions numbered WMP/7081/2018 and WMP/7083/2018 before the Madras High Court challenging this disqualification. The Hon'ble High Court granted an interim stay on the disqualification and reinstated their DIN numbers.

On 9th October 2020, the High Court of Madras passed an order setting aside the previous order ('Impugned Order') from the Single Bench, which had dismissed the writs filed to quash the respective disqualification by the Registrar of Companies (ROC) and for the reactivation of the DIN or permission for appointment/reappointment as directors. The original disqualification was based on Section 164(2)(a) of the Companies Act, 2013, which states that a person who is or has been a director of a company that has not filed financial statements or annual returns for any continuous period of three financial years is not eligible to be re-appointed as a director of that company or any other company for five years from the date of default.

Relying on this provision, the ROC published multiple lists containing the details of directors disqualified for five years due to the non-filing of financial statements or annual returns for a continuous period of three years. Consequently, the DIN of such disqualified directors was also deactivated.

The Division Bench of the Hon'ble High Court of Madras, after considering the submissions made by the appellants and the respondent, set aside the Impugned Order for the following reasons:

Prior Notice Requirement:

The ROC is required to issue prior notice to the directors of the defaulting company before taking actions against the disqualification under Section 164(2) of the Companies Act, 2013. This notice is essential for determining whether the company has committed the default and attributing the default to specific directors. The requirement for prior notice is not an empty formality, as held in the Impugned Order.

ROC's Lack of Authority to Deactivate DIN:

The ROC is not empowered to deactivate the DIN because:

(a) The relevant Companies [Appointment and Qualifications of Directors] Rules, 2014 ('AQD Rules') do not provide for cancellation or deactivation of DIN upon disqualification under Section 164(2) of the Companies Act, 2013.

(b) Deactivation of DIN would be contrary to Section 164(2) read with Section 167(1) of the Companies Act, 2013, which states that the director of the defaulting company will cease to be a director in all other companies where they are a director except in the defaulting company, for the purpose of making the requisite filings which would necessarily require the use of their DIN.

In light of the above, the Division Bench allowed the appeals and consequently quashed the publication of the list of disqualified directors by the ROC and the deactivation of the DIN. Furthermore, the court directed the reactivation of the DIN within a period of 30 days from the receipt of the order.

It is important to note that any adverse order, if given in the future by the Hon'ble High Court, could have an adverse effect on the business, future financial position, and results of operations of our Company.

23. The industry in which we operate is employee intensive and increases in wages for IT professionals could reduce our cash flows and profit margins.

Historically, wage costs in the Indian IT services industry have been significantly lower than wage costs in developed countries for comparably skilled technical personnel, which has been one of India's competitive strengths. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. In the long term, wage increases may make us less competitive unless we are able to continue increasing the efficiency and productivity of our professionals, as well as the quality of our services and the prices we can charge for our products and services. Increases in wages, including an increase in the cash component of our compensation expenses, may reduce our cash flows and profit margins, and have a material adverse effect on our business, financial conditions, and results of operations.

24. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flow in the future could adversely affect our results of operations and financial condition.

Our Company had negative cash flows from our operating activities in the previous year ended March 31, 2024, amounting to ₹195 Lakhs as per the Consolidated Audited Financial Statements. For details, see "*Financial Information*" on page 87 of this Draft Letter of Offer.

Cash flow of a Company is a key indicator of the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans, and make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial condition. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

25. We require a number of approvals, licenses, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations.

We may require several statutory and regulatory permits, licenses, and approvals in the ordinary course of our business, some of which our Company has either received, applied for, or is in the process of applying for. Many of these approvals are granted for fixed periods and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the timeframe anticipated by us or at all.

Any failure by us to apply in time, to renew, maintain, or obtain the required permits, licenses, or approvals, or the cancellation, suspension, delay in issuance, or revocation of any of the permits, licenses, or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see the chapter titled “Government and Other Approvals” on page 127 of this Draft Letter of Offer.

26. We are dependent on our senior management, including our Promoter and a number of key personnel and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends significantly on our senior management, including our Promoter, who has several years of experience in the industry in which we operate, and whose contribution has been crucial to the growth of our business. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of our business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain such persons or find adequate replacements in a timely manner, or at all.

A limited number of individuals possess the requisite experience and skills to serve in our senior management positions. Additionally, we may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the employees that our business requires. Competition for qualified personnel with relevant industry expertise in India is intense, and the loss of the services of our key personnel may adversely affect our business, results of operations, and financial condition.

27. Our inability to manage growth could disrupt our business and reduce profitability.

A principal component of our strategy is to continuously grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial, and other resources. It will require us to continuously develop and improve our operational, financial, and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training, and retaining high-quality human resources, preserving our culture, values, and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition, and adversely affect our results of operations.

28. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

Our Company may retain all our future earnings, if any, for use in the operations, and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

29. Our Promoter and certain of our directors hold Equity Shares in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors, including our Promoter, have interests in our Company beyond their regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Specifically, our Promoter holds a significant equity shares in the company. In addition to their routine remuneration, our Promoter benefits from bonuses, profit-sharing, and other performance-linked incentives.

The significant shareholding of our Promoter means that their financial interests are closely tied to the performance of our Company. However, we cannot assure you that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company. Given their substantial equity stake, our Promoter will continue to exercise significant control over us, including the ability to influence the composition of our Board of Directors and decisions requiring simple or special majority voting of shareholders.

This control could result in our Promoter making decisions that may not align with the best interests of the Company or its minority shareholders. For instance, the Promoter may prioritize actions that enhance their financial benefits from bonuses, profit-sharing, and performance-linked incentives, even if these actions might not be in the best interest of the Company as a whole or its minority shareholders.

The potential conflict of interest is exacerbated by the fact that our other shareholders may be unable to affect the outcome of such voting due to the Promoter's majority control. This could lead to decisions that are more beneficial to the Promoter and certain directors, potentially at the expense of the broader shareholder base.

In conclusion, while the financial interests of our Promoter and certain directors through equity shareholding, bonuses, profit-sharing, and performance-linked incentives align them with the performance of the Company, it also poses a risk of actions being taken that may conflict with the best interests of the Company or those of minority shareholders. This significant control could affect corporate governance and decision-making processes, potentially impacting the Company's operations and financial position.

30. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Modernization and technology upgradation are essential to provide better products. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing technology employed by us. Further, the costs involved in upgrading our technology could be significant, which could substantially affect our finances and operations.

31. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank. Further, the deployment of funds is entirely on the internal estimates of our management.

Our Company proposes to utilize the Net Proceeds for working capital requirements and general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates.

As the Issue size is less than ₹10,000 Lakhs, under Regulation 82 of the SEBI (ICDR) Regulations, it is not required for our Company to appoint a monitoring agency for overseeing the deployment and utilization of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by an external independent agency. Our Board of Directors will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue, subject to compliance with applicable laws. Our Board of Directors will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue, subject to compliance with applicable laws. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013.

Additionally, for dissenting shareholders—those shareholders who have not agreed to the proposal to vary the objects of this Issue—our Promoter shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by SEBI, in respect to the same.

For further details, please refer to the section titled “Objects of the Issue” on page 51 of this Draft Letter of Offer.

32. We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected.

We have not identified any alternate source of funding; hence, any failure or delay on our part to raise money from this Issue may delay the implementation schedule and could adversely affect our growth plans. For further details on the object of the Issue and the schedule of implementation, please refer to the chapter titled “Objects of the Issue” on page 51 of this Draft Letter of Offer.

33. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into related party transactions with our Promoter, Promoter Group, Group Entities, and Directors. While we believe that all such transactions have been conducted on an arm’s length basis and in compliance with Companies Act, 2013 and applicable laws, it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered into with unrelated parties. Furthermore, it is likely that we may enter into related party transactions in the future. For details of these transactions, please refer to the section titled “Financial Information” on page 75 of this Draft Letter of Offer”

34. As the Equity Shares of our Company are listed on the Stock Exchanges, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

The Equity Shares of our Company are listed on Stock Exchanges, and therefore, we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and must adhere to and comply with other applicable regulations framed by SEBI. Our Company endeavors to comply with all such obligations and reporting requirements. However, any non-compliance that might have been committed by us may result in Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices

against us, and/or taking actions as provided under the SEBI Act, the rules and regulations made thereunder, and applicable SEBI Circulars.

Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects, financial performance, and the trading price of the Equity Shares.

35. A significant portion of the Issue proceeds will be utilized by our Company for adjusting application amount against unsecured loans availed from the Promoters amounting to ₹ 900.00 lakhs

The one of the objects of the Issue is to adjust application money against the Rights Entitlement of the Promoter for unsecured loans availed by the Promoters amounting to ₹ 900.00 lakhs. Our Company shall not receive new funds against such adjustment of loans. For further details, please see the chapter titled “*Objects of the Issue*” beginning on page 51 of this Draft Letter of Offer.

36. Non-receipt of complete Call Money may have an impact of a consequential shortfall in Net Proceeds.

The Call(s) shall be deemed to have been made at the time when the resolution authorising such Call is passed at the meeting of our Board. The Call(s) may be revoked or postponed at the discretion of our Board, from time to time. Our Company, at its sole discretion, may send one or more reminders for the Call(s) as it deems fit, and if it does not receive the Call Money as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact our business and our growth plans. For details, see ‘Objects of the Issue’ on page 51 of this Draft Letter of Offer.

37. We have not commissioned an industry report for the disclosures made in the section titled ‘Industry Overview’ and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.

We have neither commissioned an industry report nor sought consent from the quoted website sources for the disclosures made in the section titled “*Industry Overview*” beginning on page 63 of this Draft Letter of Offer. We have made disclosures in this chapter based on relevant industry-related data available online, for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change, and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry-related disclosures in this Draft Letter of Offer in this context.

EXTERNAL RISK FACTORS

38. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021, and April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “Terms of the Issue” on page 134 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the respective demat accounts of the Eligible Equity Shareholders.

- (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and
- (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders, which would comprise Rights Entitlements relating to:
 - a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations;
 - b) Equity Shares held in the account of IEPF authority;
 - c) the demat accounts of the Eligible Equity Shareholders that are frozen or for which details are unavailable with our Company or with the Registrar on the Record Date;
 - d) credit of the Rights Entitlements that were returned/reversed/failed; or
 - (e) the ownership of the Equity Shares currently under dispute, including any court proceedings

39. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue.

Renounees may not be able to apply in case of failure to complete renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Furthermore, if the Rights Entitlements do not get credited in time in the case of On Market Renunciation, such Renounees will not be able to apply in this Issue with respect to such Rights Entitlements.

40. Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period.

Physical Shareholders are requested to furnish the details of their demat account to the Registrar no later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar no later than two Working Days prior to the Issue Closing Date shall lapse. For details, see “Terms of the Issue – Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 140 of this Draft Letter of Offer.

41. The entitlement of Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.

Investors will not have the option of receiving the allotment of Equity Shares in physical form. The Equity Shares allotted to the Applicants who do not have demat accounts or who have not specified their demat details will be kept in abeyance until the details of the demat account of such Applicants are received. This further means that they will have no voting rights in respect of the Equity Shares. For details, see “Terms of the Issue – Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 140 of this Draft Letter of Offer.

42. The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date.

Such Eligible Equity Shareholders are required to send, among other details, their demat account information to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from the demat suspense account to such demat accounts, they will have no voting rights. in respect of Equity Shares. For details, see “*Terms of the Issue*” on page 134 of this Draft Letter of Offer.

43. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, and May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, and ensure completion of all necessary steps in

relation to providing/updating their demat account details in a timely manner. For details, see “Terms of the Issue” on page 134 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

44. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within the period prescribed under the applicable laws. However, there is no assurance that material adverse changes in the international or national monetary, financial, political, or economic conditions, or other events of force majeure, material adverse changes in our business, results of operation, or financial condition, or other events affecting the Applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue.

The occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. If the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, shareholders will be required to purchase Equity Shares at a price higher than the actual market price of the Equity Shares at that time, resulting in an immediate unrealized loss.

We may complete the Allotment even if such events limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

45. Our Company will not distribute the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter, and Application Form (the ‘Offering Materials’) to shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India due to restrictions on the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address provided by the members, including through e-mail.

Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, regarding the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under the applicable laws of those jurisdictions.

46. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares, convertible securities, or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares, and impact our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares in the future.

The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur, may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge, or encumber their Equity Shares in the future.

47. You may be subject to Indian taxes arising out of capital gains on the sale of the Rights Equity Shares and Rights Entitlement.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian Company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

Further, the Finance Act, 2019, which has been notified with effect from April 01, 2019, stipulates that the sale, transfer, and issue of securities through exchanges, depositories, or otherwise be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in the case of the sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for the transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019, and have come into effect from July 01, 2020.

The Finance Act, 2020, has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and the removal of dividend distribution tax on dividends declared, distributed, or paid by a domestic company after March 31, 2020. Consequently, such dividends would not be exempt in the hands of the shareholders, both resident and non-resident.

48. You may not receive the Equity Shares that you subscribe in the Issue until 15 (Fifteen) days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe to in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk during this period.

49. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

In accordance with applicable laws and regulations and the requirements of the Stock Exchanges, in-principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorizing the issuance of Rights Equity Shares to be submitted. Accordingly, there could be a delay in listing the Rights Equity Shares on the Stock Exchanges.

If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted.

For further information on the issue procedure, please refer to the section titled “Terms of the Issue” beginning on page 134 of this Draft Letter of Offer.

50. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such a resolution, or unless our Company has obtained government approval to issue without such rights.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company would be reduced.

51. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend to foreign investors. Additionally, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the proceeds received by equity shareholders.

For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

52. Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.

Any instance of disinvestment of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Furthermore, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

53. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a Company in another jurisdiction. Shareholders’ rights, including in relation to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. As a result, investors may have more difficulty in asserting their rights as shareholders in an Indian Company than as shareholders of a corporation in another jurisdiction.

54. There may be less information available in the Indian securities markets than in more developed securities markets in other countries.

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers, and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market and has issued regulations and guidelines on disclosure requirements, insider trading, and other matters.

As a result, there may be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries pursuant to such disclosure requirements, which could adversely affect the market for our Equity Shares. Investors may have access to less information about our business, financial condition, cash flows, and results of operations on an ongoing basis than investors in companies subject to the reporting requirements of more developed countries.

55. No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will depend not only on the supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, among other factors. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements.

Since the trading of the Rights Entitlements will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Entitlements may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

56. There is no public market for the Equity Shares or Equity Shares outside India.

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. We cannot assure you that the face value of the Equity Shares will correspond to the price at which the Equity Shares will trade subsequent to this Issue. This may also affect the liquidity of our Equity Shares and restrict your ability to sell them.

57. Any trading closures at the Stock Exchanges may adversely affect the trading prices of our Equity Shares.

Secondary market trading in our Equity Shares may be halted by a stock exchange due to market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or restrict the ability to buy or sell certain securities or financial instruments. Such actions may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorised by way of resolution passed by our Board on June 10, 2024, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio have been approved by the Board of Directors at their meeting held on [●].

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” on page 134 of this Draft Letter of Offer.

Rights Equity Shares being offered by our Company	[●] Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	[●] Rights Equity Share for every [●] Equity Shares held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹10/- each
Issue Price	₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share). On Application, Investors will have to pay ₹ [●] per Rights Equity Share, which constitutes [●] % of the Issue price including premium and balance ₹ [●] per Rights Equity Share which constitutes [●] % of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined, from time to time, at its sole discretion, by our Board or the Rights Issue Committee.
Issue Size	[●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Rights Equity Share up to an amount of ₹ 4,990 Lakhs * * Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari-passu</i> in all respects with the Equity Shares of our Company.
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in multiples of [●] ([●]), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Equity Shares issued, subscribed and paid up and outstanding prior to the Issue	1,54,57,106 Equity Shares issued subscribed and paid-up. For details, please see “Capital Structure” on page 49 of this Draft Letter of Offer.
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares)	[●] Equity Shares* *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares
Security Codes for the Equity Shares	ISIN: INE526B01014 NSE Code: CALSOFT BSE Code: 530109
ISIN for Rights Entitlements	[●]
ISIN for Rights Equity Share (Partly Paid-up at the time of application)	[●]

Terms of the Issue	For details, please see “ <i>Terms of the Issue</i> ” on page 134 of this Draft Letter of Offer.
Use of Issue Proceeds	For details, please see “ <i>Objects of the Issue</i> ” on page 51 of this Draft Letter of Offer

GENERAL INFORMATION

Our Company was incorporated as “*California Software Company Limited*” under the Companies Act, 1956 and a certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu on February 06, 1992. Further, our company received certificate of commencement of business by the Registrar of Companies, Tamil Nadu on October 19, 1992. The Corporate Identification Number of our Company is L72300TN1992PLC022135.

Registered Office of our Company

California Software Company Limited

Workflo, Greeta Towers,
Industrial Estate, Perungudi, OMR Phase 1,
Chennai – 600 096 Tamil Nadu, India

Tel No: +91- 94448 60882

Email: investor@calsoftgroup.com

Website: www.calsofts.com

CIN: L72300TN1992PLC022135

Registration Number: 022135

Registrar of Companies

Our Company is registered with the Registrar of Companies, Chennai, Tamil Nadu at the following address:

Block No.6, B Wing 2nd Floor, Shastri Bhawan 26,
Haddows Road, Chennai – 600 034,
Tamil Nadu, India

Tel No: 044 – 2827 0071

Fax: 044 – 2823 4298

Email: roc.chennai@mca.gov.in

Website: www.mca.gov.in

Company Secretary and Compliance Officer

Krishnamoorthy Venkatesan

Workflo, Greeta Towers, Industrial Estate,
Perungudi, OMR Phase 1, Chennai – 600 096
Tamil Nadu, India

Tel No: +91 9841439565

Email: cs@calsoftgroup.com

Website: www.calsoft.com

Details of Key Intermediaries pertaining to this Issue:

Registrar to the Company / Issue

Integrated Registry Management Services Private Limited

2nd Floor, Kences Towers, 1, Ramakrishna Street,
North Usman Road T Nagar,
Chennai – 600 017, Tamil Nadu, India

Tel No: 044 – 2814 0801/803
Fax No: 044 – 2814 2479
Email: yuvraj@integratedindia.in
Investors Grievance E-mail: yuvraj@integratedindia.in
Website: www.integratedindia.in
Contact Person: Mr. S Yuvaraj
SEBI Registration Number: INR000000544

Legal Advisor to the Issue

PSK Legal,
8/14, Malad Co-op Housing Society Ltd.
Poddar Park,
Malad East,
Mumbai 400097, India
Mobile: 9022869773
Email: poojalegalventures@gmail.com
Website: www.psklegal.in
Contact Person: Ms. Pooja Sharma

Statutory Auditor of the Company

M/s K Gopal Rao & Co.,
Chartered Accountants
21, Moosa Street, T. Nagar,
Chennai – 600 017
Tel No: 044 4552 2032
Email: madan@kgrca.in
Contact Person: Madan Gopal Narayanan
Firm Registration No: 000656S
Membership No: 211784
Peer Review Certificate Number: 012291

Bankers to the Issue/ Refund Bank

[•]

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

Since there is no lead manager, a statement of inter se allocation of responsibilities is not required.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated July 10, 2024 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “Expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its Consolidated Audited Financials Statements dated May 30, 2024 for the financial year ended March 31, 2024, and (ii) Statement of Special Tax Benefits dated July 10, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term “Expert” shall not be construed to mean an “Expert” as defined under the Securities Act, 1933.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process. For details on the ASBA process, please see the section entitled “Terms of the Issue” on page 134 of this Draft Letter of Offer.

Credit Rating

As this is a Rights Issue of Equity Shares, credit rating is not required.

Debenture Trustees

As this is a Rights Issue of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

Since the size of the issue is less than Rs.10,000 lacs, under Regulation 82 of the SEBI ICDR Regulations, a monitoring agency is not required to be appointed by our Company.

Underwriting

The Issue is not underwritten, and our Company has not entered into any underwriting agreement.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Underwriting Agreement

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date*	[●]

* *The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, being [●],[●] 2024. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements are credited to their respective demat accounts.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, see “Terms of the Issue” on page 134.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar to the Issue at www.integratedindia.in after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see “*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” under the section titled “Terms of the Issue” beginning on page 146 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

Minimum Subscription

The objects of this Issue are repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company from promoter and to meet the working capital requirements. Further, our Promoter have undertaken that he will subscribe to the full extent of their Rights Entitlements and that they shall not renounce his Rights Entitlements, subject to the aggregate shareholding of our Promoter being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

Any participation by our Promoter, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

CAPITAL STRUCTURE

The equity shares capital of our Company as at the date of this Draft Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below.

(₹ Lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	AUTHORISED SHARE CAPITAL*		
	17,10,00,000 Equity Shares of ₹10.00 each	17,100.00	17,100.00
	40,00,000 Redeemable Preference Shares of ₹10.00 each	400.00	400.00
B	ISSUED SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
	1,54,57,106 Equity Shares of ₹10 each	1,545.71	1545.71
	4,18,700 Redeemable Preference Shares of ₹10.00 each	41.87	41.87
C	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽¹⁾		
	Up to [●] Rights Equity Shares, at a premium of ₹[●] per Rights Equity Share, <i>i.e.</i> , at a price of ₹[●] per Rights Equity Share ⁽²⁾	[●]	Up to 4990.00
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE⁽³⁾		
	[●] Fully paid-up Equity Shares	[●]	[●]
	[●] Partly paid-up Equity Shares	[●]	[●]
E	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		Nil
	After the Issue		[●] ⁽³⁾

⁽¹⁾ The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated June 10, 2024;

⁽²⁾ On Application, Investors will have to pay [●] per Rights Equity Share which constitutes [●]% of the Issue Price and the balance ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price, will have to be paid, on one or more subsequent calls as may be decided by the Board from time to time;

⁽³⁾ Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares

NOTES TO CAPITAL STRUCTURE

1. Intention and extent of participation by our Promoter in the Issue:

Our Promoter have *vide* their letters dated July 10, 2024, confirmed that they intend to: (a) subscribe to the full extent of their Rights Entitlements and not renounce their Rights Entitlement; and (b) subscribe to, any Rights Entitlement renounced in their favour if any, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. Further, our Promoter reserve the right to apply for, and subscribe to, any additional Rights Equity Shares over and above their Rights Entitlements.

The allotment of Equity Shares of our Company subscribed by our Promoter in this Issue shall be eligible for exemption from open offer requirements in accordance with the SEBI Takeover Regulations and shall be in compliance with the Companies Act, the SEBI ICDR Regulations and other applicable laws.

Our Promoter have confirmed that subscription to Rights Equity Shares will not result in a change in control or the management of our Company, and any such subscription shall be subject to the aggregate shareholding of our Promoter of our Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of our Company after the Issue

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●] per equity share.
3. At any given time, there shall be only one denomination of the Equity Shares of our Company.
4. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Rights Equity Shares, when allotted under the Issue, shall be partly paid up and shall rank pari passu to the existing equity shares of our Company For details on the terms of this Issue, see “Terms of the Issue” on page 134.
5. As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.
6. Our Company does not have any employee stock option scheme or employee stock purchase scheme
7. As on date of this Draft Letter of Offer, none of the shares held by the promoter are locked-in, pledged or encumbered.
8. As on date of this Draft Letter of Offer, our Promoter or the members of our Promoter Group have not acquired any equity shares in the last one year prior to the filing of this Draft Letter of Offer.
9. At any given time, there shall be only one denomination of the Equity Shares of our Company.
10. Our Company shall ensure that any transaction in the Equity Shares by our Promoter during the period between the date of filing this Letter of Offer with the Stock Exchanges and the date of the closure of this Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.
11. The details of the shareholding pattern of our Company as on June 30, 2024 can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=CALSOFT&tabIndex=equity> and on the website of BSE at <https://www.bseindia.com/stock-share-price/california-software-coltd/calsoft/532386/shareholding-pattern/>.
12. *Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges i.e. June 30, 2024*

S. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	M. VASUDEVAN	55,22,972	35.73
2.	SUNIL KUMAR CHHAJER	4,36,680	2.83
3.	GUNJAN CHHAJER	4,36,000	2.82
4.	NANDINI J NATHANI	1,64,800	1.07

OBJECTS OF THE ISSUE

Objects of the Issue

Our company proposes to utilize the proceeds towards funding the following objectives:

1. Adjustment of unsecured loans against the Rights Entitlement of the Promoter;
2. To meet working capital requirements
3. General Corporate Purposes

Collectively, these are referred to hereinafter as the “**Objects**”

We intend to utilize the gross proceeds raised through the Issue (the “**Issue Proceeds**”) after deducting the Issue related expenses and adjusting the unsecured loan against the Rights Entitlement of the Promoter (“**Net Proceeds**”) for the above-mentioned Objects.

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised through the Issue.

Net Proceeds

The details of the proceeds of the Issue are set forth in the following table:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds from the Issue	4,990.00
Less: Adjustment of unsecured loans against the Rights Entitlement of the Promoter	900.00
Less: Issue related expenses	[•]
Net Proceeds from the Issue	[•]

Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

(₹ in lakhs)

Particulars	Amount
To meet working capital requirements	3000.00
General Corporate Purposes	[•]
Net proceeds from the Issue*	[•]

** Assuming full subscription in the issue and receipt of all call monies with respect to the rights equity shares, subject to the finalization of the basis of allotment and adjustment per the rights entitlement ratio, our company shall first utilize the net proceeds towards the repayment of unsecured loans availed from the promoter, and the remaining net proceeds will be used to meet working capital requirements if the issue is not fully subscribed.*

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance

through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Schedule of Implementation and Deployment of Funds

Particulars of Objects	Amount proposed to be funded from Net Proceeds	Proposed Schedule for deployment of Net Proceeds	
		Fiscal 2025 at Application	Fiscal 2026 Through Calls
Adjustment of unsecured loans against the Rights Entitlement of the Promoter	900.00	900	-
To meet working capital requirements	3,000.00	1,478.68	1,523.32
General Corporate Purposes	1,090.00	400.00	688.00
Total	4,990.00	2,778.68	2,211.32

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal Year is not completely met (in full or in part), due to factors stated above and other factors such as (i) economic and business conditions; (ii) the timing of completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Any change in estimated schedule of utilization shall be subject to shareholders approvals and in accordance with applicable laws.

If the actual utilisation towards the Objects of the Issue, in full or in part, is lower than the proposed deployment, such balance will be used for future growth, subject to compliance with applicable laws and towards General Corporate Purposes to the extent that the total amount to be utilised towards General Corporate Purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Details of the Objects of the Issue

1. Adjustment of Unsecured Loans availed from the Promoter against the Right Entitlement of the Promoter.

Since the Company required fund towards meeting its working capital requirements, the Promoter have advanced by way unsecured loans to the Company at various intervals. As on June 30, 2024, our Company has availed unsecured loans amounting to ₹ 910.40 Lakhs from our Promoter, as stated in the table below. These loans are repayable on demand and there are no penalties for prepayment.

S. No.	Name of the Lender	Outstanding Unsecured loan as on June 30, 2024	Purpose	Proposed repayment / Adjustment
1	Dr. M. Vasudevan	910.40 lakhs	Working Capital requirement	900.00 lakhs

Dr. M. Vasudevan pursuant to letter dated July 10, 2024 requested our Company to adjust the outstanding unsecured loan against the application money payable to the extent of his subscription and allotment in the Issue pursuant to his rights Entitlements including entitlement renounced by any of the members of the Promoter Group in favour of him, and additional subscription, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957. Consequently, no fresh issue proceeds would be received by our Company to that extent.

2. To meet Working Capital Requirements

Calsoft is at a critical juncture in its growth, where raising capital through a Rights Issue is essential to maintain our competitive edge in the rapidly evolving SaaS industry. Our flagship product, the dSpeedUp Super App, is a game-changing platform that integrates various services to empower small businesses. With the goal of driving innovation and expanding both domestically and internationally, securing additional capital is crucial for sustaining growth.

Strategic Justification for the Rights Issue:

- Transition to a SaaS Model: A shift to a subscription-based model requires upfront investments and additional working capital.
- Sales Realization and Cash Flow: Efficient revenue collection processes will help optimize working capital needs, though the scale of growth requires further funding.
- Expansion Plans: Additional working capital will support market expansion and innovation, empowering small businesses globally.

We have outlined detailed projections for FY 2024-25 and FY 2025-26, including revenue, EBITDA, and net income targets. Additionally, we expect significant customer sign-ups and improvements in operational efficiency. The Rights Issue will support strategic initiatives such as:

- Product development
- Customer acquisition and retention
- Market expansion
- Optimizing cash flow management

Strategic Allocation of Funds Raised:

- Working Capital Requirements: Covering operational expenses, inventory management, and settling trade payables.
- Customer Acquisition: Funding marketing campaigns to increase customer sign-ups and enhance retention.
- Financial Reserves: Strengthening cash reserves and improving creditworthiness.

The funds raised through the Rights Issue will play a pivotal role in ensuring the long-term stability and growth of Calsoft, positioning us as a leader in the SaaS industry.

Basis of estimation of working capital requirement

The Working Capital Requirement (WCR) is based on the costs of the revenue cycle, upcoming operational expenses, and the repayment of debts. The aim of our working capital management is to ensure that we can continue our operations, expand our business operations, and have sufficient cash flow to satisfy both maturing short-term debt and upcoming operational expenses.

The details of our company's working capital requirement (on a standalone basis) as of March 31, 2024, March 31, 2023, and March 31, 2022, the audited statements of profits and losses (including other comprehensive income), and the audited statements of cash flows for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 (together, the "Working Capital Financial Statements"), form part of the audited financial statements of the company on a consolidated basis for the years ended March 31, 2024, March 31, 2023, and March 31, 2022 (together, the "Audited Financial Statements"). The source of funding is provided in the table below:

(Rs. In Lakhs)					
Particulars	March 31, 2022 (Audited)	March 31, 2023 (Audited)	March 31, 2024 (Audited)	March 31, 2025 (Estimated)	March 31, 2026 (Estimated)
Current Assets					
Trade Receivables	1446.37	1713.63	1465.35	1445.54	1854.23
Cash and Cash Equivalents	3.87	4.18	3.93	335.60	415.55
Other Financial Assets*	10.49	14.91	6.58	-	-
Other Current Assets	22.35	30.65	39.02	415.87	524.41
Total Current Assets (1)	1483.10	1763.37	1514.88	2197.01	2794.19
Current Liabilities					
Trade Payables	33.96	35.23	40.80	450.40	621.03
Other Financial Liabilities	596.03	596.03	1.03	-	-
Other Current Liabilities	53.21	79.43	94.34	269.93	411.75
Total Current Liabilities (2)	683.21	710.69	136.17	720.33	1032.78
Working Capital (1-2)	799.89	1052.68	1378.71	1476.68	1761.41
Source of Working Capital					
Current Borrowings	489.72	636.56	831.40		
Internal Accruals	310.17	416.12	547.31	-	238.09
Net Proceeds of Rights Issue	-	-	-	1476.68	1523.32

* Other Financial Assets excludes Cash and Cash Equivalents

Holding Period Table

Particulars	Basis	Holding Level for year ended				
		Actuals	Actuals	Actuals	Estimated	Estimated
		FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Current Assets						
Trade Receivables	Days	487	2263	1250	169	181
Other Financial Assets		4	20	6	-	-
Other Current Assets		8	41	34	49	52
Current Liabilities						
Trade Payables	Days	60	229	169	144	172
Other Financial Liabilities		365	365	365	-	-
Other Current Liabilities		145	289	188	74	93

On the basis of the company's existing working capital requirements and the projected working capital requirements, the Board of Directors, pursuant to their resolution dated July 10, 2024, have approved the business plan and financial projections for the financial years ending March 31, 2025, and March 31, 2026. They have also approved the projected working capital requirements for these periods on a standalone basis and the proposed funding patterns for those years.

The following data has been extracted from the minutes of the board meeting dated July 10, 2024:

Particulars	March 31, 2025 (Estimated)	March 31, 2026 (Estimated)
Current Assets		
Trade Receivables	1445.54	1854.23
Cash and Cash Equivalents	335.60	415.55
Other Financial Assets	-	-
Other Current Assets*	415.87	524.41
Total Current Assets (1)	2197.01	2794.19
Current Liabilities		
Trade Payables	450.40	621.03
Other Financial Liabilities	-	-
Other Current Liabilities**	269.93	411.75
Total Current Liabilities (2)	720.33	1032.78
Working Capital (1-2)	1476.68	1761.41
Source of Working Capital		
Current Borrowings	-	-
Internal Accruals	-	238.09
Net Proceeds of Rights Issue	1476.68	1523.32

* Other current assets includes other financial asset, income tax assets and other current assets

** Other current liabilities includes lease liabilities, other financial liabilities, current provisions and other current liabilities.

Justification for “Holding Period” levels:

The justifications for the holding levels mentioned in the table above are provided below:

Current Assets	
Trade Receivables	<p>The reduction in the trade receivables holding period is driven by:</p> <p>a. Transition to SaaS Model</p> <ul style="list-style-type: none"> • Past Challenges: FY 2021-23 saw low sales and delayed receivables due to the pandemic, extending the holding period. • Shift to SaaS: Transitioning to a SaaS model ensures revenue realization within 30–180 days, aligning with our billing cycle based on client size and license volume. <p>b. Revenue Realization & Efficiency</p> <ul style="list-style-type: none"> • Increased Revenue: Sales for FY 2024-25 and FY 2025-26 are projected to grow significantly. • Timely Collections: The subscription model fosters predictable cash flow, reducing trade receivables and improving operational efficiency. <p>c. Strategic Marketing Plan</p> <ul style="list-style-type: none"> • Post-rights issue, an aggressive marketing strategy will drive year-on-year sales growth, supporting the projected reduction in holding periods.
Other Financial Assets	
Current Liabilities	
Trade Payables	<p>The change in trade payables holding period reflects several strategic initiatives:</p> <p>a. Revenue Generation Model</p> <ul style="list-style-type: none"> • Gross revenue stems from affiliate and channel partner sales, online sales, and efforts by our marketing team. • Net revenue accounts for deductions like commissions (5%–40% of gross revenue) and lead generation costs (Google Ads, Facebook, Instagram). <p>b. Expense Structure</p> <ul style="list-style-type: none"> • Expenses include recurring costs (e.g., remuneration, rent, web hosting) and non-recurring costs, alongside sales commissions as a variable component. <p>c. Strategic Decisions</p> <ul style="list-style-type: none"> • Optimizing Cash Flow: Payment periods to affiliates and channel partners are strategically extended to enhance cash flow management, enabling better utilization for operational needs. • Negotiated Terms: Favorable terms with affiliates, partners, and suppliers have been secured, extending payment timelines without harming relationships or incurring penalties. • Balancing Working Capital: Extending payable days supports working capital management, especially during periods of high capital expenditure or new investments.

The working capital requirements specified in our issue are justified based on the following considerations:

- **Transition to SaaS Model:** The shift to a subscription-based model is expected to enhance cash flow and reduce the holding period for receivables.
- **Improved Sales Realization:** With higher sales and efficient revenue collection processes, our working capital needs will be better managed and optimized.
- **Future Projections:** The projected reduction in holding days from 1250 to 170 days reflects our commitment to improved financial management and operational efficiency.
- **Optimized Cash Flow Management:** The longer credit periods from affiliates and channel partners provide us with enhanced liquidity and flexibility in managing our cash flow.
- **Alignment with Strategic Goals:** The extended credit terms align with our strategic goals and operational plans.
- **Future Business Expansion:** The willingness of our affiliates and channel partners to provide extended credit terms supports our own expansion plans.

In summary, the increase or decrease in ‘Holding Days’ for trade receivables or trade payables, as reflected in the holding period table, is a strategic decision influenced by cash flow management, negotiated affiliate or channel partner terms, sales strategies, working capital requirements, utilization of Rights Issue funds, operational efficiency, and maintaining strong relationships with affiliates and channel partners. This strategic approach helps the company manage its finances more effectively, ensuring stability and supporting growth objectives.

3. General Corporate Purposes

The remaining Net Proceeds ₹ [●] lakhs shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any, subject to compliance with applicable laws.

Issue Related Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Amount* (Rs. In Lakhs)	As a percentage of total expenses*	As a percentage of Issue size*#
Fees of the Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor’s fees, including out of pocket expenses etc.	[●]	[●]	[●]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]

Particulars	Amount* (Rs. In Lakhs)	As a percentage of total expenses*	As a percentage of Issue size*#
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[•]	[•]	[•]
Total estimated Issue expenses[^]	[•]	[•]	[•]

* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.

[^]Excluding taxes

Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds, subject to compliance with applicable laws. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board of Directors, subject to the compliance with applicable laws.

Appraisal and Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of the Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

Since the Issue is for an amount not exceeding ₹ 10,000 lakhs, in terms of Regulation 82(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Other Confirmations

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of

the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoter or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Group Companies, our directors, or Key Managerial Personnel.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors

California Software Company Limited
Workflo, Greeta Towers, Industrial Estate,
Perungudi, OMR Phase 1, Chennai – 600 096,
Tamil Nadu, India.

Dear Sir,

Sub: Statement of possible special tax benefits (“the Statement”) available to California Software Company Limited (“the Company”) and its Shareholders prepared in accordance with the requirements in Schedule VI of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulations”).

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as amended by the Finance Act, 2023, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of everchanging tax laws in India.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met.
- the revenue authority/courts will concur with the views expressed herein

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

This certificate may be relied on by the Company and the legal counsel to the Issue and for the purpose of any defence, the Company may wish to advance in any claim or actual/ potential proceeding before any statutory/ regulatory authority/ stock exchange in connection with the contents of the Draft Letter of Offer or actual/potential dispute relating to or connected with the Draft Letter of Offer and Letter of Offer.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

We hereby consent to (a) this certificate, or its parts being used in the Draft Letter of Offer of the Company or any other material in connection with the Issue; and/ or (b) submission of this certificate as may be necessary, to the Stock Exchange, Securities and Exchange Board of India or to any regulatory authority; and/or (c) this certificate being used for the records maintained by the Company in connection with the Issue and in accordance with applicable law.

The enclosed annexure is intended for your information and for inclusion in the Draft Letter of Offer and Letter of Offer or any other issue related material in connection with the proposed right issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

Yours faithfully,

For **K. GOPAL RAO & CO.,**

Chartered Accountants.

Sd/-

CA. MADAN GOPAL NARAYANAN

PARTNER FIRM NO.: 211784

UDIN: 24211784BKFJQY5338

Place: Chennai

Date: 10/07/2024

**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO
THE COMPANY AND ITS SHAREHOLDERS**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial year 2024-25.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

The Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

Yours faithfully,

For K. GOPAL RAO & CO.,

Chartered Accountants.

Sd/-

CA. MADAN GOPAL NARAYANAN

PARTNER FIRM NO.: 211784

UDIN: 24211784BKFJQY5338

Place: Chennai,

Date: 10/07/2024

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

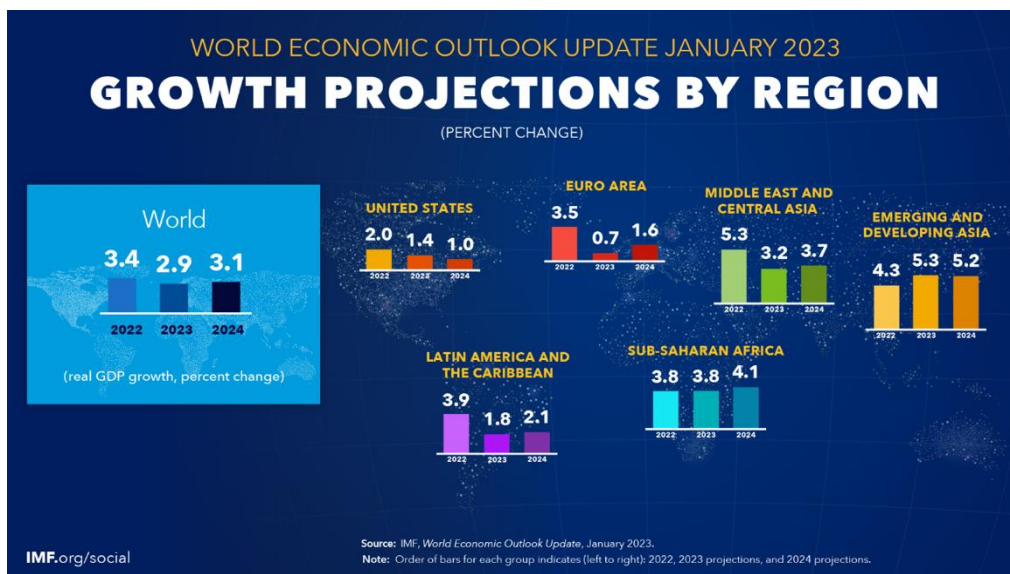
The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither We or any of our affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Letter of Offer, including the information in the sections "Risk Factors" and "Consolidated Audited Financial Information" on pages 22 and 87 of this Draft Letter of Offer respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 22 of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information.

GLOBAL ECONOMIC OVERVIEW

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in 2023 and 2024 on an annual average basis. Compared with projections in the April 2023 World Economic Outlook, growth has been upgraded by 0.2 percentage point for 2023 with no change for 2024. The forecast for 2023-2024 remains well below the historical (2000-19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall GDP as well as per capita GDP terms. Advanced Economies continue to drive the decline in growth from 2022-2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions.

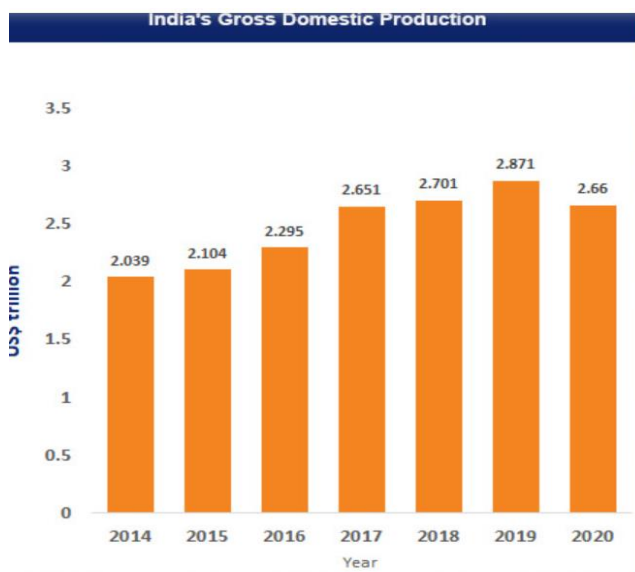
Global headline inflation is set to fall from an annual average of 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024, broadly as projected in April, but above pre-pandemic (2017–19) levels of about 3.5 percent. About three-quarters of the world's economies are expected to see lower annual average headline inflation in 2023. The forecast for 2023 is revised down by 0.2 percentage point, largely on account of subdued inflation in China. The forecast for 2024 has been revised upward by 0.3 percentage point, with the upgrade reflecting higher-than-expected core inflation. The balance of risks to global growth remains tilted downward, but adverse risks have receded since the publication of the April 2023 Outlook WEO. The resolution of US debt ceiling tensions has reduced the risk of disruptive rises in interest rates for sovereign debt, which would have increased pressure on countries already struggling with increased borrowing costs. The quick and strong action authorities took to contain banking sector turbulence in the United States and Switzerland succeeded in reducing the risk of an immediate and broader crisis. In most economies, amid the cost-of-living crisis, the priority remains achieving sustained disinflation. With tighter monetary conditions and lower growth potentially affecting financial and debt stability, it is necessary to deploy macroprudential tools and strengthen debt restructuring frameworks. Fiscal support should be better targeted at those most affected by elevated food and energy prices, and broad-based fiscal relief measures should be withdrawn. Stronger multilateral cooperation is essential to preserve the gains from the rules-based multilateral system and to mitigate climate change by limiting emissions and raising green investment



SOURCE-<https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

INDIAN ECONOMY OVERVIEW

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.



India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

MARKET SIZE

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs.

160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

INTRODUCTION OF IT & BPM SECTOR

The IT & BPM sector has become one of the most significant growth catalysts for the Indian economy, contributing significantly to the country's GDP and public welfare. The IT industry accounted for 7.5% of India's GDP in FY23, and it is expected to contribute 10% to India's GDP by 2025.

As innovative digital applications permeate sector after sector, India is now prepared for the next phase of growth in its IT revolution. India is viewed by the rest of the world as having one of the largest Internet user bases and the cheapest Internet rates, with 76 crore citizens now having access to the Internet.

The current emphasis is on the production of significant economic value and citizen empowerment, thanks to a solid foundation of digital infrastructure and enhanced digital access provided by the Digital India Programme. India is one of the countries with the quickest pace of digital adoption. This was accomplished through a mix of government action, commercial innovation and investment, and new digital applications that are already improving and permeating a variety of activities and different forms of work, thus having a positive impact on the daily lives of citizens.

India's rankings improved six places to the 40th position in the 2022 edition of the Global Innovation Index (GII).

MARKET SIZE

According to the National Association of Software and Service Companies (NASSCOM), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth and was estimated to have touched US\$ 245 billion in FY23.

The IT spending in India is estimated to record a double-digit growth of 11.1% in 2024, totalling US\$ 138.6 billion up from US\$ 124.7 billion last year.

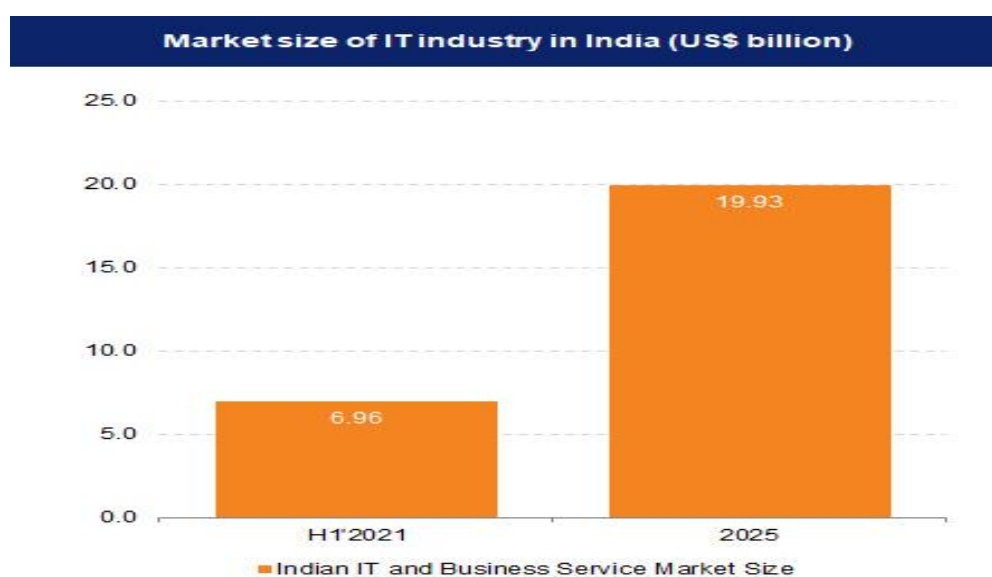
The Indian software product industry is expected to reach US\$ 100 billion by 2025. Indian companies are focusing on investing internationally to expand their global footprint and enhance their global delivery centres.

The data annotation market in India stood at US\$ 250 million in FY20, of which the US market contributed 60% to the overall value. The market is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI.

India's IT industry is likely to hit the US\$ 350 billion mark by 2026 and contribute 10% towards the country's gross domestic product (GDP), Infomerics Ratings said in a report.

As an estimate, India's IT export revenue rose by 9% in constant currency terms to US\$ 194 billion in FY23.

The export of IT services has been the major contributor, accounting for more than 53% of total IT exports (including hardware).

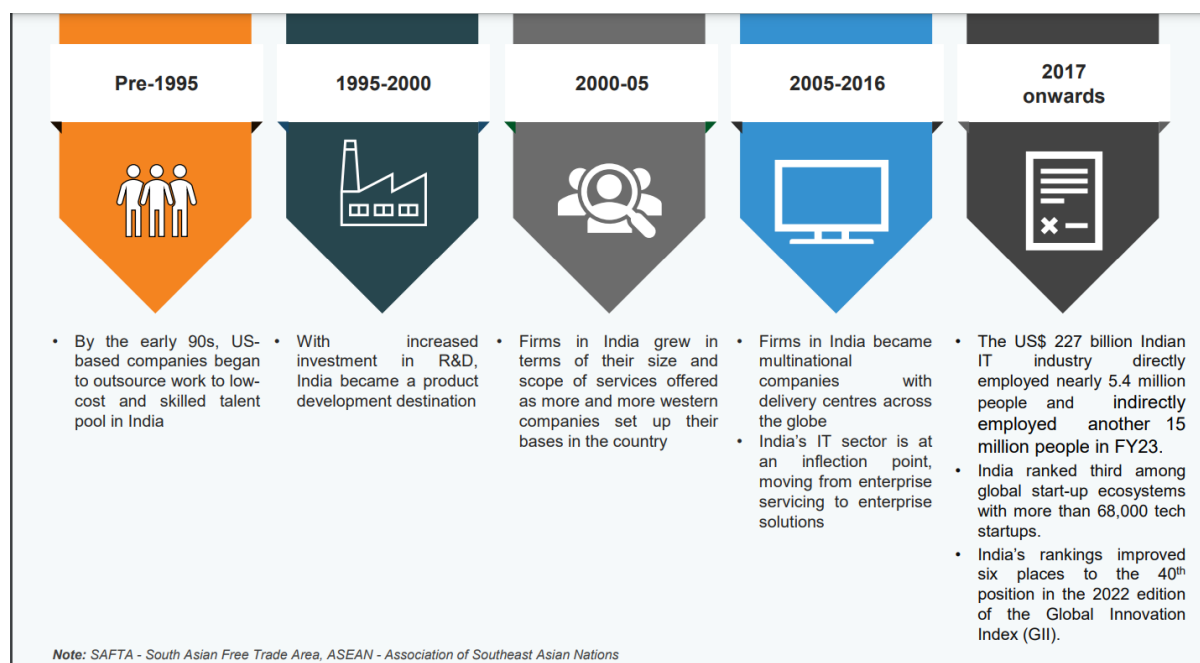


BPM and engineering and R&D (ER&D) and software products exports accounted for 22% and 25%, respectively of total IT exports during FY23.

Exports from the Indian IT industry stood at US\$ 194 billion in FY23. The export of IT services was the major contributor, accounting for more than 51% of total IT exports (including hardware). BPM, and Software products and engineering services accounted for 19.3% and 22.1% each of total IT exports during FY23.

The IT industry added 2.9 lakh new jobs taking the industry's workforce tally to 5.4 million people in FY23.

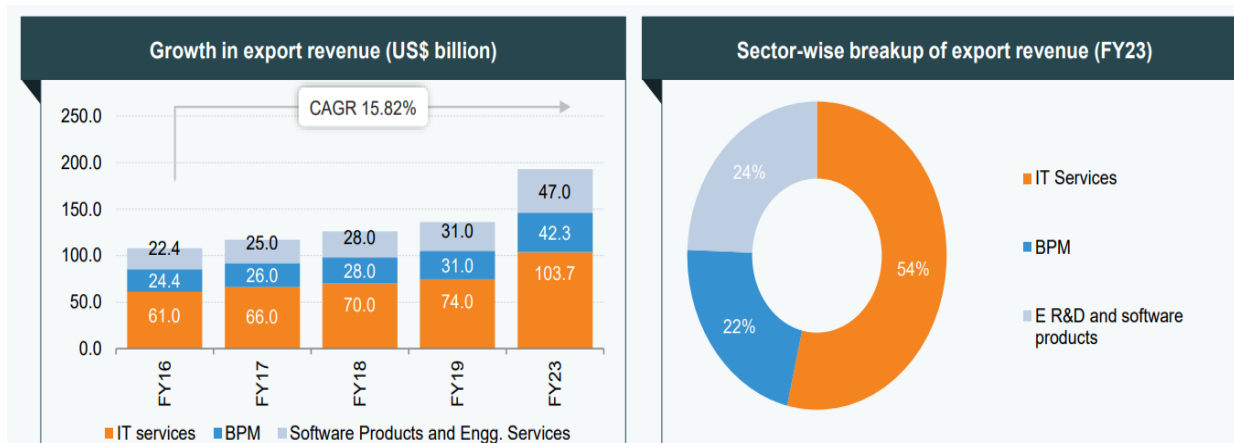
EVOLUTION OF INDIAN IT SECTOR



India's IT market size growing

- The IT industry added 2.90 lakh new employees in FY23, bringing the total employment in the sector to 54 lakh employees.
- India's technology industry is on track to increase the revenue to US\$ 500 billion by 2030.
- Direct employment in the IT services and BPO/ITeS segment is estimated to reach 5.4 million in FY23 with an addition of 290,000 people.
- The IT-BPM services revenue reached US\$ 128.4 billion in FY23.
- In FY23 the Indian domestic IT & Business Services market was valued at US\$ 53 billion.
- By 2025-26, India is expected to have 60–65 million jobs that require digital skills, according to a Ministry of Electronics & IT report titled "India's trillion-dollar digital opportunity."
- In November 2021, Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, lauded the Indian IT sector for excelling in its competitive strength with zero government interference. He further added that service exports from India had the potential to reach US\$ 1 trillion by 2030.
- India's IT spending is anticipated to reach US\$ 124.6 billion in 2024, reflecting a 10.7% increase from 2023, according to Gartner.
- India's public cloud services market grew to US\$ 3.8 billion in 1H2023, expected to reach US\$ 17.8 billion by 2027

- India's digital economy is estimated to reach US\$ 1 trillion by 2025.
- Artificial Intelligence (AI) is expected to boost India's annual growth rate by 1.3% by 2035, according to NITI Aayog.
- The Karnataka government signed three MoUs worth US\$ 13.4 million to help the state's emerging technology sector.
- As an estimate, India's IT export revenue rose by 9% in constant currency terms to US\$ 194 billion in FY23.
- Export of IT services was the major contributor, accounting for more than 53% of total IT exports (including hardware).
- BPM and engineering and R&D (ER&D) and software products exports accounted for 22% and 25%, respectively of total IT exports during FY23.
- According to STPI (Software Technology Park of India), software exports by the IT companies connected to it stood at Rs. 1.20 lakh crore (US\$ 16.29 billion) in the first quarter of FY22.
- In August 2021, the Minister of Electronics and Information Technology, Skill Development and Entrepreneurship, Mr. Rajeev Chandrasekhar, announced that the IT export target was set at US\$ 400 billion for March 2022. In addition, the central government was planning to focus on areas such as cybersecurity, hyper-scale computing, artificial intelligence and blockchain.



Notable Trends:

Global delivery model:

Indian software product industry is expected to reach US\$ 100 billion by 2025. Indian companies are focusing on investing internationally to expand their global footprint and enhance their global delivery centres.

India to become the data annotation and labelling hub

The data annotation market in India stood at US\$ 250 million in FY20, of which the US market contributed almost 60% to the overall value. The market is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI.

New technologies

- Disruptive technologies such as cloud computing, social media and data analytics are offering new avenues of growth across verticals for IT companies.

- The SMAC (social, mobility, analytics, cloud) market stood at US\$ 225 billion in 2020.
- In June 2022, ZStack International, a worldwide market leader in cloud computing, IaaS and PaaS solutions, announced that they were entering India and the SAARC Region.

GROWTH DRIVERS AND OPPORTUNITIES

1. Combat Cyber-security

The Data Security Council of India (DSCI) - National Center of Excellence for Cyber Security Technology Development (NCoE) and Chitkara University have collaborated to undertake joint programmes on cyber security and privacy.

2. Talent Pool

According to a NASSCOM report, India ranks first in AI skill penetration and talent concentration and fifth in AI scientific publications. Microsoft, consultancy firm Bain & Co, and industry body Internet and Mobile Association of India (IAMAI), India produces 16% of the entire world's AI talent pool – the third highest in the world.

3. Public cloud market

The revenue of India's public cloud services market totalled US\$ 6.2 billion in 2022, and it is expected to reach US\$ 17.8 billion by 2027 growing at a CAGR of 23.4%. Comparing to prepandemic level from FY2019, the cloud deals in FY2023 have grown by more than 4 times. Cloud's potential is boundless, and it forms a crucial foundation for successful digital transformation.

4. Policy Support

More liberal system for raising capital, seed money and ease of doing business. Government of India launched IndiaAI Mission in March 2024, with an initial outlay of US\$ 1.2 billion (Rs. 10,300 Cr) to bolster India's AI ecosystem. The government introduced the STP Scheme, which is a 100% export-oriented scheme for the development and export of computer software, including export of professional services using communication links or physical media. Tax holidays for STPI and SEZs.

5. Infrastructure

Infrastructure software revenue in India was forecasted to reach US\$ 4.6 billion in 2021, an increase of 12% YoY, driven by rising demand for security-as-a-service offerings, and detection and response capabilities.

(Source: IBEF IT & BPM March 2024 Report)

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk.

For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 22 of this Draft Letter of Offer, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 87 and 113, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Limited Review Unaudited Financial Results and Audited Financial Statements.

Overview

We are engaged in the business of Business Analytics and Software development Information Technology (IT). We believe that we specialize in offering software as a service (SaaS), which is fastest-growing segments in the IT industry.

We are focused on providing end-to-end capabilities at scale across the full spectrum of professional services—spanning strategy, consulting, digital, blockchain, gaming, technology and operations. Our services is segmented by business applications type including business intelligence and analytics, e-commerce, Point of Sale (PoS), Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Human Capital Management (HCM), Supply Chain Management (SCM), Unified Communication & Collaboration (UC&C), finance and accounting, Enterprise Content Management (ECM), collaboration, and other enterprise applications such as Risk & compliance management, Product Lifecycle Management (PLM) and Enterprise Performance Management (EPM). We offer our services across various industries Retail, Banking, Manufacturing, etc.

Our market is also segmented by large enterprises as well as small and medium businesses (SMBs) based on the adoption of SaaS delivery model in different size organizations in various verticals. Our customers are spread across the globe, regional wise includes North America, Europe, Asia-Pacific, Middle East & Africa, and Latin America, as geographies. We assist our customers by turning data into information, harnessing information, and transforming ideas into action.

In the year 2022, we have launched secured commerce platforms dSpeedUp, dUltima and dInspira which is based on digital transformation of e-commerce solutions by AI Integration for B2B and B2C segments.

- a. dSpeedUp – all-on-one ecommerce solution where it accesses to the best possible set of tools.
- b. dUltima – omnichannel business solution provides optimize and seamless experience.
- c. dInspira – PoS help the retailers for growing their business by managing inventory, processing payment, managing refunds and returns, creating reports for analyzing profits, etc.

Our Company’s subsidiary is Aspire Communications Private Limited.

Leveraging more than twenty-eight years of services experience, technology leadership and execution excellence. Our industry agnostic experience in offering cloud services, cyber security, mobile enablement & IoT solutions and mobile network services provides us the maturity to lead the next wave of services globalization. Our services are segmented by verticals includes Retail, Banking Financial Services and Insurance (BFSI), Telecom Media and

Technology (TMT), healthcare, discrete manufacturing, travel and hospitality, utilities (energy and power, oil and gas, water management, etc.) and others, including education.

Financial Performance

₹ In lakhs

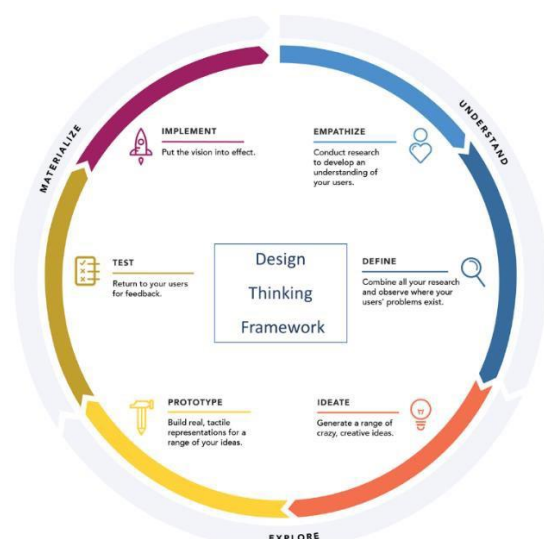
Particulars	FY 2023-24	FY 2023-22
Revenue	428.03	276.41
EBITDA	156.54	119.56
Profit after Tax (before OCI)	62.35	22.12
Borrowings	831.40	636.56

OUR BUSINESS OPERATIONS

Set out below is a description of business operations.

Design Thinking Framework

The design-thinking framework follows an overall flow of 1) understand, 2) explore, and 3) materialize. Within these larger buckets fall the 6 phases: empathize, define, ideate, prototype, test, and implement.



Empathize: Conduct research in order to develop knowledge about what our users do, say, think, and feel.

Define: Combine our research and observation and pinpointing our users' needs, begin to highlight opportunities for innovation.

Ideate: Brainstorm a range of crazy, creative ideas that address the unmet user needs identified in the define phase.

Prototype: Build real, tactile representations for a subset of your ideas.

Test: Return to our users for feedback. **Implement:** Put the vision into effect.

We specialize in offering software as a service (SaaS), our services is segmented by business applications type including business intelligence and analytics, e-commerce, Point of Sale (PoS), Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Human Capital Management (HCM), Supply Chain Management (SCM), Unified Communication & Collaboration (UC&C), finance and accounting, Enterprise Content Management (ECM), collaboration, and other enterprise applications such as Risk & compliance management, Product Lifecycle Management (PLM) and Enterprise Performance Management (EPM).

Our market is also segmented by large enterprises as well as small and medium businesses (SMBs) based on the adoption of SaaS delivery model in different size organizations in various verticals.

Our services are segmented by verticals includes Retail, Banking Financial Services and Insurance (BFSI), Telecom Media and Technology (TMT), healthcare, discrete manufacturing, travel and hospitality, utilities (energy and power, oil and gas, water management, etc.) and others, including education.

Our applications include e commerce, point of sale, virtualization software, middleware, application integration, content delivery solutions and more.

Web App Development

User-Interactive and Result-Oriented Web App Development Services; We develop unique and highly interactive websites which are robust and create brand image.

- Java Development
- PHP Development
- ASP.Net Development
- Full Stack Development
- Python Development

UI-UX Design

Our UI-UX Designs Can Create Engaging User Experience FOR any Business: We create a unique and interactive design which brings a perfect blend of design, technology and strategy for building your brand.

- HTML/CSS Development
- Responsive Design
- Brand Identity

Mobile App Development

We offer a full cycle of application design, integration and management services. Whether it is a consumer-oriented app or a transformative enterprise-class solution, the company leads the entire mobile app development process from ideation and concept to delivery, and to ongoing support.

- Custom iOS and Android apps development
- Native and cross-platform solutions
- Second platform app development
- UI/UX design
- Consulting and prototyping
- Automated QA and testing
- Power management, notification and geofencing
- Embedded Android & AOSP customizations
- Maintenance and post-warranty support

Digital Marketing

We provide effective digital strategies which boost your online presence. We provide solutions to increase online presence and drive more traffic sales to your online business.

- Website Marketing: A website is the centerpiece of all digital marketing activities. We create a website which represent a brand, product, and service in a clear and memorable way.
- Pay-Per-Click (PPC) Advertising: PPC advertising enables marketers to reach Internet users on a number of digital platforms through paid ads. We set up PPC campaigns on Google, Bing, LinkedIn, Twitter,

- Pinterest, or Facebook and show their ads to people searching for terms related to the products or services.
- **Content Marketing:** The tools of content marketing include blogs, eBooks, online courses, infographics, podcasts, and webinars.
- **Email Marketing:** Through email marketing, we create customer acquisition funnels to turn those leads into customers.
- **Search Engine Optimization:** The primary goal of a social media marketing campaign is brand awareness and establishing social trust. We go deeper into social media marketing; we can use it to get leads or even as a direct sales channel.
- **Affiliate Marketing:** With affiliate marketing, influencers promote other people's products and get a commission every time a sale is made or a lead is introduced.
- **Video Marketing:** YouTube has become the second most popular search engine and a lot of users are turning to YouTube before they make a buying decision, to learn something, read a review, or just to relax.

IoT APP Development

We are committed to deliver services with the focus on efficiently helping our customers implement, integrate and manage various components of their IoT ecosystem. Through our wide-ranging services portfolio, we additionally facilitate our customers to leverage cloud, analytics, mobile, social and security technologies.

IoT market in being a truly horizontal, end-to-end services delivery framework built for the new mobile world of connected devices and emerging services across a disparate array of devices in a secure and cost- effective manner.

Leveraging hybrid cloud architecture to resolve one of the most challenging issues facing IoT services, security is assured by distributing data and making any potential system-wide breach of security unlikely with least amount of potential exposure.

Operational simplicity is achieved through seamless integration with mobile operators' existing back- office systems allowing them to rapidly and cost effectively, deploy and manage multi- service solutions without requiring any major investments in new operations systems or staff training.

OUR COMPETITIVE STRENGTHS

Strong leadership team

We believe that we have a strong leadership team led by Chairman and Executive Directors with significant experience in the global e commerce and software industry and have extensive experience in the setting up and managing companies in the global retail and wholesale sectors. Our leadership team comprises of KMP and SMPs have significant expertise of the industry and has consistently demonstrated skilful entrepreneurial judgment with respect to which new segments to enter and when and how to enter them, evidenced by our growth and successful expansion across markets. We have a deep talent pool with a combined workforce of 50 employees across various departments including business development, content, technology, publishing and accounts.

Rich and diversified customer base

We have rich and diversified customers and is segmented by large enterprises as well as small and medium businesses (SMBs) based on the adoption of SaaS delivery model in different size organizations in various verticals based on the Industry includes, Retail, Banking Financial Services and Insurance (BFSI), Telecom Media and Technology (TMT), healthcare, discrete manufacturing, travel and hospitality, utilities (energy and power, oil and gas, water management, etc.) and others, including education.

Domain knowledge in, and full spectrum coverage of e commerce Industry

Our Company has developed and implemented PoS and e Commerce software platforms. We believe we provide full spectrum of global commerce industry, which means that our customers can find all their digital technology solutions under one umbrella. Further, we believe that some of our products such as ‘dSPEEDUp and ‘dULTIMA’ – are artificial intelligence (AI) based platform, IoT and are state-of-the-art products. In addition, we also design digital products using sophisticated technology such as AI, Blockchain, Big Data, Machine Learning etc.

Continuous investment in R&D

Our Company provides global e commerce technology platforms for companies in the retail and wholesale industries with full spectrum, fully integrated products to upgrade and update existing products.

We intend to develop a new feature or innovative e commerce products based on artificial intelligence, Internet of Things (IoT) and Machine Learning. We will empower data experts in research, design, analysis, prototyping and quality check to implement content solutions that keep online businesses moving forward. Our Research and Development team would explore the expertise to develop, design, and enhance our products, services, technologies, or processes. Our companies’ goals for research and development are well matured, thereby increasing productivity or new innovative product lines of our e commerce software’s and platforms

Entrenched sales and distribution network

Our Company also employs region specific sales strategy, and we follow a top-down model comprising separate sales head for each geography who oversee ‘business development managers’ who cater to existing customers and ‘new business development managers’ who focus on new customer acquisition. In addition, every region is equipped with a ‘Solutions Director’ and a team of techno-functional personnel who understand the product effectively and assist the sales team in providing the custom-made solution offerings.

OUR STRATEGIES

Maintaining our Company’s focus on entities in advanced markets

Broadly, our Company’s operations and the product suites offered vary depending on the geography which takes into account the per capita income of the countries in which our Company operates. This is simply because the digital needs of each income group vary based on where they are on the technology curve. For instance, advanced markets such as the USA, United Kingdom, European Countries, Canada, Middle East countries, Kenya, Thailand, Philippines, Malaysia, Sweden and Australia are further along in the use of digital technology and a greater focus of their technology spend is on areas such as risk, regulation and compliance. Our Company also realized higher operating margins from our operations in the advanced markets as against emerging markets.

Accordingly, given the higher gross revenue generation and the higher operating margins from operations in advanced markets, our Company will continue to focus on entities in advanced markets.

Increasing market penetration in emerging markets

Our Company is proposing to expand its market share in the Indian as well in the global markets includes USA, United Kingdom, European Countries, Canada, Middle East countries, Kenya, Thailand, Philippines, Malaysia, Sweden and Australia; and increase its revenue base in the coming years and undertake significant market development activities such as maintaining and enhancing the sales and marketing capacity and competence and launching new marketing activities including pre-sales efforts. This will require our Company to engage in various marketing and brand building initiatives for increasing its presence on the global stage.

While operations in the emerging markets offer the potential for growing faster, the operating margins are generally lower than those in advanced markets.

Strengthening Portfolio

We seek to continuously enhance the scope and quality of our existing offerings in each of our core business verticals, being empowering small businesses viz, Retail, Maintenance, Delivery, Payment, etc. Our understanding of the behaviour, preferences, and trends of customers gives us a distinct perspective in our engagements with users across multiple touchpoints and business segments. We intend to constantly increase our overall user outreach across our offerings, as well as create stronger engagements with, and deliver compelling value to, our existing users.

OUR PRODUCTS

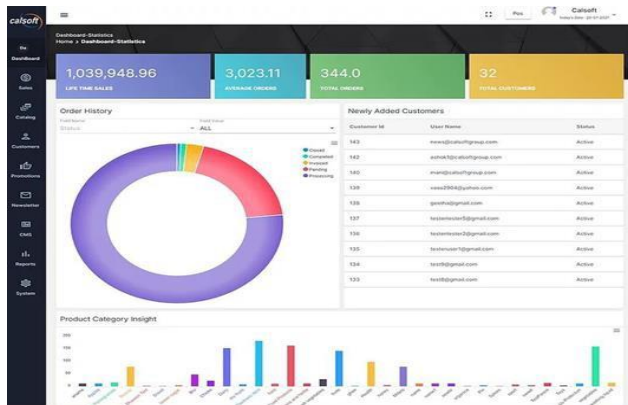
1. dSPEEDUp E-Commerce Platform

dSPEEDUp is an eCommerce platform should provide natively unified eCommerce, accounting, inventory, and order management, marketing, customer service, financial, merchandising on a cloud-based platform for B2B, B2C and C2C ecommerce businesses. dSPEEDUp has flexible framework to keep up with this growing list of emerging capabilities with AI integrations.

- dSPEEDUp offers a powerful online storefront and expert e-commerce support, equipped with a robust suite of inventory management tools. These tools enable you to sell digital downloads, track sales, and manage products seamlessly within the site's product management software.
- dSPEEDUp enhances customer brands with a storefront designed to foster growth from the first sale onward. Features include eye-catching product pages, an intuitive order system, comprehensive payment processing, and more.
- dSPEEDUp supports the creation of photo galleries and embedded product videos, helping shoppers make informed purchase decisions and reducing returns.
- dSPEEDUp cultivates loyal customers with a fully customizable loyalty program, encouraging repeat purchases and fostering long-term customer loyalty.

dSPEEDUp provide complete Ecommerce Automations

- Promotion: Send browser push notification after customer's second order
- Customer experience: Create a support ticket after a negative review
- Loyalty: Send a win-back email sequence to "at risk" customers
- Personalization: Segment customers by purchase behavior
- Inventory: Create an alert when product inventory is drops below threshold
- Orders: Email logistics team when orders need to be expedited
- Risk: Get notified about high-risk orders before capturing payment
- Supply Chain Forecasting Methods: Preventing Storms and Predicting Trends

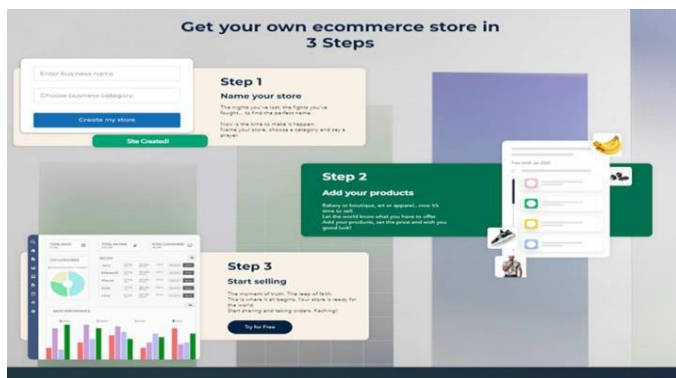


The process of making predictions based on past and present information, they both use hard data, and, at times, intuition, to varying degrees of accuracy.

Understanding how to properly forecast supply chain needs is critical to ensuring ecommerce store's success. Getting it right can lead to better supplier relationships, increased customer satisfaction, and more capital to grow and scale your business.

Setup Ecommerce Automation Workflows in Seconds

With a pre-made template, we create online storefront in ten minutes or less. Investing the short time upfront is worth every minute, hour, and day customers gain back to focus on growing their business.



Features of dSPPEEDUp, which creates and runs online store, interacts with customers, and keeps all inventory straightened out, a rich content marketing system, the ability to offer exciting promotions to customers, and much more, features include, but not limited to, business management, inventory control, search engine optimisation, many features save money for your business by eliminating buying additional features from a third party.

2. dINSPIRA – PoS (Point of Sale) Platform

dINSPIRA is a powerful PoS platform provides an uncompromised sales experience to sell any products, to manage a retail business, market to customers, and sell everywhere in one place.



dINSPIRA designed to set up any retail shop with personalized onboarding and an intuitive, easy-to-use interface for checkout experience and is fully integrated with an account and can access all product information and serve customers faster.

dINSPIRA PoS works on a Windows or Mac workstation, or on tablet or smartphone, and even a combination of devices – all linked to data through the cloud. Whether one location, multiple locations or are on the go – flexible devices plus unlimited users.

Based on what products outlet, our company designed specific features and customization to address specific needs, however the basic setup almost always remains the same.

Apparel- Garment sellers will notice that each of their products might need a composite (parent) SKU that represents the brand. They also need multiple child SKUs that identify each individual product within the parent SKU. You need to upload products as such into the digital catalog.

Electronic goods- These goods need serial numbers to identify not just the model and make, but also the specific item within the store. Serial numbers are uploaded into the POS software and identified when the item is scanned.

Restaurant- POS that has a single screen for managing reservations, processing orders and accepting feedback makes the dining experience better.

Packaged products and groceries- These categories need both a Unit-Of-Measure (UOM) and an expiry date. You use expiry dates to identify goods that are fast approaching their use-by date and to sell them at a discount. UOM helps you define which product quantity you need to bill at what price.

Product	Price	Qty	Subtotal
Mobiles			
P003 - iphone 12pro (4GB+32GB)	110,000.00	1	110,000.00
P023 - Nokia 2720 (Internet)	3,000.00	1	3,000.00
P006 - Realme 6i (4GB+32GB)	13,500.00	1	13,500.00
P013 - One plus 8 (4GB+32GB)	39,400.00	1	39,400.00
P014 - One plus nord2 (4GB+32GB)	35,200.00	1	35,200.00
P016 - Oppo find x2 pro (4GB+32GB)	42,200.00	1	42,200.00
P008 - Realme GT (4GB+32GB)	32,000.00	1	32,000.00
Items	7 (7.00)	Total	275,300.00
Order Tax	27,530.00	Discount	(0.00) 0.00
Total Payable			302,830.00

Jewelry- A POS software in stores that sell high-value products might raise alerts for wrong/ duplicate billing. It can also send reminders for frequent stock audits.

3. dBOT - A Conversational Platform

dBOT is powered by pre-programmed responses or artificial intelligence to answer questions without the need of a human operator. dBOT provide development tools such as frameworks and API toolsets for customizable bot creation. dBOT is a different type of chat application. It is built with entirely marketing purposes. dBOT uses highly secure end- to-end encryption standards to store and transfer messages between its users. As a result, using dBOT is relatively easy, and it also offers a clear voice calling facility.

dBOT is a new way of communication that enables the parties involved to communicate on a real-time basis or live. An estimate states that almost 41 million messages are transferred every minute on the internet.

Features Of dBOT:

- Emotional intelligence: In any conversational context, it is critical that each speaker responds to the other in an emotionally intelligent manner, paying careful attention to the emotional state of the other. This is no less true with a dBOT. dBOT respond to the user in a way that is commensurate with their emotional state.
- Conversational ability: dBOT able to chat in a way that is natural and fluent, understanding the intent of what was said and responding appropriately.
- Broad knowledge base: dBOT can be integrated with a host of business systems or knowledge bases, giving them the ability to answer questions correctly and contextually.
- Personal: dBOT connect to the user in a way that is bespoke and tailored to the individual. They take in personal information in a safe and secure manner and output a response which befits the question as well as the questioner.
- Personality: dBOT might work in some cases, but adding a bit of zest and personality can help unlock the full potential of these conversational agents.

4. dULTIMA Omnichannel Platform

dULTIMA Omnichannel platform involves a multichannel approach to the market while focusing on providing a unified and seamless customer experience. dULTIMA omnichannel strategy is empowered by centralized data management, which means that the distinctions among channels, both physical and online ones, are blurred. As a result, customers can simultaneously use different channels in their shopping process, starting their search at a channel and finish the purchase in another one. They are given chances to create their own preferable shopping routines, which seems to be more attractive to a new generation of consumers in the 21st century.

dULTIMA's omnichannel platform is a sophisticated retail software and empowers the retailers to engage their customers with the consistent quality service across various channels of markets; online marketplaces, physical stores or a company website. It routes the orders made online directly to the nearest store for fulfillment. Thus, reducing the order processing time and logistics expenses.

Moreover, through omnichannel marketing brands can follow a customer-centric nature harnessing greater benefits and enhanced loyalty. Furthermore, the potential growth of the eCommerce industry is visible through the study stating that in 2018, 39.6% of the estimated \$1.357 trillion global eCommerce revenue was generated through smartphones.

Hence, there is a need for businesses to start considering building their omnichannel strategy to leverage multi-channel marketing tactics.

PROJECT MANAGEMENT

Our Company has a well-entrenched project management process. The schematic below sets out our sales cycle process and delivery process framework.

Making a timely decision during software development is an important aspect of software delivery. Some of the important stages of the software development cycle are:

- Requirement finalization
- UI prototypes
- Design
- Development
- Testing
- Deployment

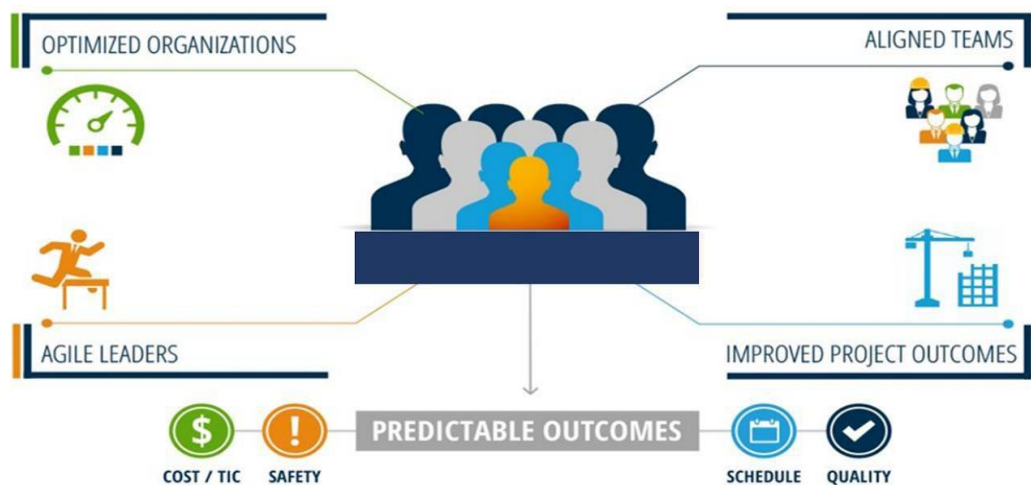
Delivery Excellence Framework

Our mission is to make our customers achieve their goals and optimize their business processes by empowering them with reliable custom software systems, by helping them to get their top-notch software products to markets faster, by unleashing the power of technology. With our core strengths, delivery excellence, deep domain knowledge, an innovative approach and our flexible engagement model, we serve all the customers.

Since retail industry vary in their adoption of technology and their path on the technology journey lifecycle, we work on diverse customer requirements with outcome focused engagement, delivery and pricing models aligned to the customers' strategic roadmap, execution infrastructure and investment landscape.

Global Delivery Model

Our company's validated methodology ensures increased predictability in capital allocations, more robust insights into financial risk exposure, and sustainable improvements in project execution.



We rightly acknowledge this fact and designed its delivery model to succeed. The current day market has very challenging tasks and targets to meet. The ride is very bumpy. Evidently, businesses are going through immense pressure to reduce the time to market and improve competitive superiority. As a result, it has become mandatory to launch new products and services in shorter time and exceed customer and user satisfaction.

We strongly believe in leveraging the existing strengths of its clients. Be it technology, processes, current market reach or existing customer base, our delivery model recognizes them as stepping stones to success. It considers them as foundation stones and builds a successful delivery.

Program Management Framework



Our Program Management Framework is designed by encapsulating the best practices in Project Management Methodologies, Service Delivery techniques, Software development methodologies and quality processes to achieve Speed & Quality of delivery in addition to cost effectiveness and value for money and result in overall maturity in the Engagement we take up.

The need to strategize and adapt to innovative ideas and implementation models is addressed in our Program Management Framework. Our project and program management staff are not only masters in PMI methodologies, they are masters in adding value to their customers

Quality Delivery

Organizational Commitment – Improve Effectiveness through Continuous Improvement.

Total Quality Assurance (TQA) processes and methodologies revolve around primarily two things:

- Keeping the internal and external customers satisfied.
- Improving their satisfaction

MARKETING STRATEGY

During the expansion stage, our company will begin entering a new market using products have already developed. Increasing our company’s reach has long-term implications for finding new customers and creating greater visibility — and even stability — for products. There are a variety of different channels could use, such as selling products through digital advertising and selling online. Expanding into a new market using the right channels is critical for engaging new customers effectively and being successful with the new initiative. New channels provide with a connection to a more significant number of potential sales and business partners, allowing us to boost bottom line even further, this approach will enable our company to make strong connections that will fuel further business growth and keep competitive.

Our efforts should focus on positioning ourselves as being authentic and on producing high-quality products. Recognize that traditional metrics, like website traffic, may not be an authentic representation of success. Our brand audience consists of potential buyers throughout various markets, including potential buyers, those who already buy from our company, and people who may be interested in new products.

COMPETITION

Our Company operates in highly competitive global markets. Our Company competes globally across all its verticals and software platforms such as Shopify, Magento, 3DCart, WooCommerce, Squarespace and Volusion.

- Shopify is one of the most popular eCommerce platforms in the world which is web application that helps to create an online store quickly and easily with many available templates.
- Magento is one of the most used eCommerce platforms in the world. This platform has significant benefits that make it deserving to be at the first position on this list and accelerating many providers to create more effective solutions for B2B eCommerce firms.
- 3DCart is a powerful and secure eCommerce software that has served over 22,000 online businesses in 20 years of service.
- WooCommerce is a free WordPress plugin that enables merchants to turn their WordPress sites into online stores freely and also offer additional paid features and integrating options to streamline the functionality of the shopping cart.
- Squarespace is an easy-to-use and friendly platform that empowers users without any coding background to create beautiful websites.
- Volusion has been in the industry for almost two decades and is an all-in-one eCommerce solution which helps you easily create, manage, and expand your online store.

EMPLOYEE

Our Company believes that human capital is one of our greatest strengths and that our employees are partners in our Company's growth and are a critical factor of our success.

Accordingly, our Company's human resource (HR) policies have been designed and developed to address crucial aspects of our employees' welfare. Our HR strategy is employee-centric and focuses heavily on training and retaining our employees, as well as offering them competitive compensation. As on June 30, 2024 we had 50 employees for our operations across the countries.

CORPORATE SOCIAL RESPONSIBILITY

We believe that corporate social responsibility is an integral part of our operations and contribution to building economic, social and environmental capital towards enhancing societal sustainability is an important measure of a company's performance. The 'CSR Policy' of our Company identifies education, community healthcare, environmental initiatives and livelihood support as key areas for CSR activities. The CSR Committee is entrusted with the primary responsibility of formulating the CSR initiatives of the Company.

OUR MANAGEMENT

Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles, unless otherwise determined by our Company in general meeting, our Company shall not have more than 15 Directors. As at the date of this Draft Letter of Offer, our Board comprises of 8 Directors, including 1 (One) Managing Director, 2 (Two) Whole Time Directors, 1 (One) Non-Executive Director, and 4 (Four) Independent Directors. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table provides details regarding the Board of Directors of our Company as at the date of filing this Draft Letter of Offer:

Name, address, designation, occupation, term, period of directorship, DIN and date of birth	Other directorships
<p>Mr. Frederick Ivor Bendle Designation: Chairman & Non-Executive Director Address: F-818, 335-Trade Center First, Dubai – 32805, United Arab Emirates Occupation: Business Age: 68 years Nationality: United Kingdom Date of Birth: April 06, 1956 Term: Retire by rotation DIN: 03156399</p>	<ul style="list-style-type: none"> • Aspire Communications Private Limited
<p>Dr. M. Vasudevan Designation: Managing Director & CEO Address: 39, Avia Enclave, Balakrishna Street, Nanmangalam, Chennai – 600 117, Tamil Nadu, India Occupation: Business Age: 57 years Nationality: Indian Date of Birth: April 29, 1967 Term: Appointed as Managing Director for a period of 5 (five) years with effect from December 22, 2022 DIN: 01608150</p>	<ul style="list-style-type: none"> • RHYS Laboratories Private Limited • RHYS Pharmaceuticals Private Limited • RHYS Healthcare Limited

Name, address, designation, occupation, term, period of directorship, DIN and date of birth	Other directorships
<p>Dr. V. Manimala Designation: Whole Time Director & CFO Address: Plot No. 39, Avia Enclave, Balakrishna Street, Nanmangalam, Chennai – 600 117, Tamil Nadu, India Occupation: Salaried Age: 52 years Nationality: Indian Date of Birth: May 06, 1972 Term: Appointed as Whole Time Director for a period of 5 (five) years with effect from June 08, 2023 DIN: 01980557</p>	<ul style="list-style-type: none"> • RHYS Laboratories Private Limited • RHYS Healthcare Limited • Global Allied Pharmaceuticals Limited • Hysynth Bio Technologies Private Limited
<p>Mr. Vijayakumar Designation: Whole Time Director Address: 9, Raja Garden, Peravallore, Chennai – 600 082, Tamil Nadu, India Occupation: Salaried Age: 54 years Nationality: Indian Date of Birth: June 04, 1970 Term: Appointed as Whole Time Director for a period of 5 (five) years with effect from July 31, 2021 DIN: 07892448</p>	<ul style="list-style-type: none"> • Hysynth Bio Technologies Private Limited • Global Allied Pharmaceuticals Private Limited
<p>Ms. Annaganalaur Srimathi Venkata Narayanan Designation: Non-Executive Independent Director Address: No. 9, Madhan Mithila Apts, 6th Cross Street, Shastri Nagar, Adyar, Chennai – 600 020, Tamil Nadu, India Occupation: Teacher Age: 55 years Nationality: Indian Date of Birth: August 24, 1969 Term: Appointed as Non-Executive Independent Director for a period of 5 (five) years with effect from May 10, 2019 DIN: 08328823</p>	<p>Nil</p>

Name, address, designation, occupation, term, period of directorship, DIN and date of birth	Other directorships
<p>Dr. Ashok Suryachandra Rao Godavarthi Designation: Non-Executive Independent Director Address: Flat No. 902, A block, Rajsri Apartmentsm, Kenchenahalli Road, Rajarajeshawari Nagar, Bangalore – 560 098, Karnataka, India Occupation: Business Age: 47 years Nationality: Indian Date of Birth: August 29, 1977 Term: Appointed as Non-Executive Independent Director for a period of 5 (five) years with effect from July 31, 2021 DIN: 08389864</p>	<ul style="list-style-type: none"> • Radiant Research Services Private Limited • Bangalore Archivals Private Limited
<p>Dr. Chandan Designation: Non-Executive Independent Director Address: #20, Dr. Rajkumar Road, JSS Layout, Mysore – 570 011, Karnataka, India Occupation: Business Age: 51 years Nationality: Indian Date of Birth: August 22, 1973 Term: Appointed as Non-Executive Independent Director for a period of 5 (five) years with effect from August 26, 2020 DIN: 08849851</p>	<p>Nil</p>
<p>Dr. Duraiswamy Basuvaiah Designation: Non-Executive Independent Director Address: 140, Sri Basava Illam, Vijayanagar Gardens, Near Rose Garden, Ootacamund – 643 001, Tamil Nadu, India Occupation: Business Age: 63 years Nationality: Indian Date of Birth: February 05, 1961 Term: Appointed as Non-Executive Independent Director for a period of 5 (five) years with effect from July 31, 2021 DIN: 09258691</p>	<p>Nil</p>

Confirmations

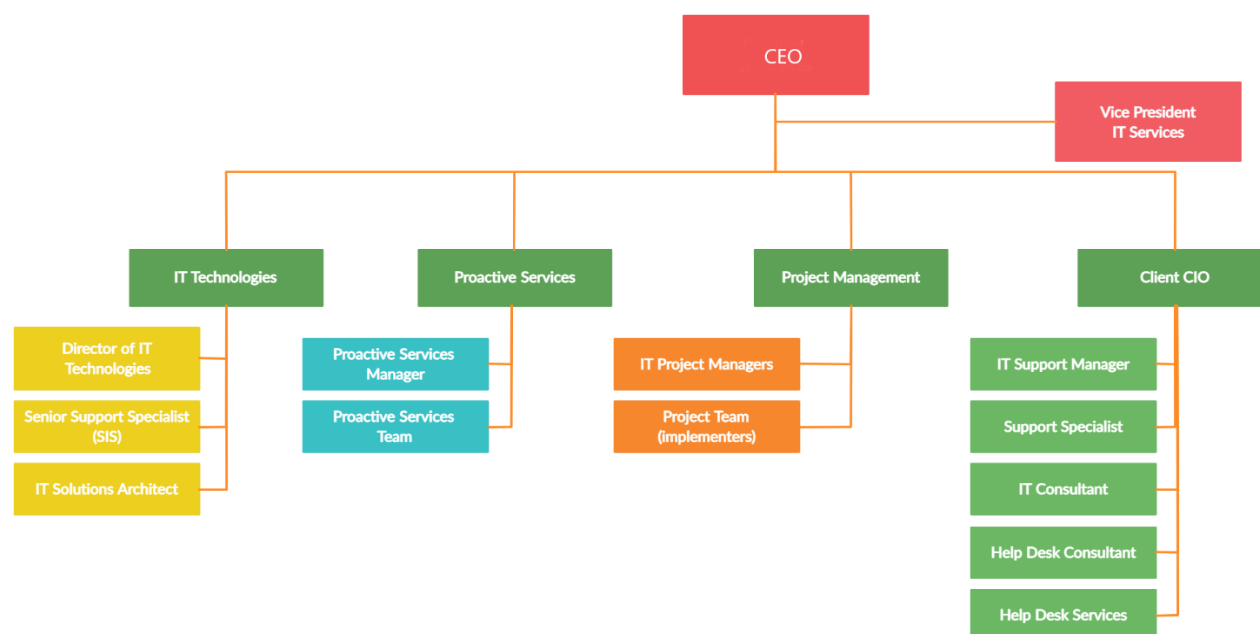
1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

Details of Key Managerial Personnel / Senior Management Personnel

S. No.	Name of Key Managerial Personnel / Senior Management Personnel	Designation
<i>Key Managerial Personnel/ Senior Management Personnel</i>		
1.	Mr. Fredrick Bendle	Chairman
2.	Dr. M. Vasudevan	Managing Director & CEO
3.	Dr. V. Manimala	Whole Time Director & CFO
4.	Mr. Vijayakumar	Whole Time Director
5.	Mr. Krishnamoorthy Venkatesan	Company Secretary & Compliance Officer

Management Organization Structure

The following is the Organisation Structure of our Company:



RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last two Fiscals, as per the requirements under the relevant accounting standards and as reported in the Consolidated Audited Financial Information, see section titled “*Financial Information*” at page 87 of this Draft Letter of Offer.

SECTION V – FINANCIAL INFORMATION

CONSOLIDATED AUDITED FINANCIAL INFORMATION

S. No.	Details	Page Number
1.	Consolidated Audited Financial Statements as at and for the year ended March 31, 2024.	87
2.	Accounting Ratios	111
3.	Statement of Capitalisation	112

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AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

INDEPENDENT AUDITOR'S REPORT

TO
BOARD OF DIRECTORS
CALIFORNIA SOFTWARE COMPANY LIMITED

Report on the audit of the Consolidated Financial Results Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **M/s. California Software Company Limited** ("Holding company") and its subsidiary (holding company and its subsidiaries together referred to as "the Group"), for the quarter and year ended **March 31, 2024** ("the Statement"), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us except for the effect of matters described in the Basis for Qualified Opinion section of our report the aforesaid Consolidated Financial Results:

- a. Includes the results of the **M/s. California Software Company Limited** (the Company) and its subsidiary **M/s. Aspire Communications Private Limited**.
- b. are presented in accordance with the requirements of the Listing Regulations, as amended; and
- c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated net profit/Loss and other comprehensive income and other financial information of the Group for the quarter and year ended **March 31, 2024**

Basis for Qualified Opinion

1. *Balances appearing in Current Tax Asset (net) amounting to Rs.380.02 Lakhs, under Current Assets in the Consolidated Financial Results are subject to reconciliation. The effect of the no reconciliation is not quantifiable.*
2. *Balances appearing in Trade receivables amounting to Rs.1,465.35 Lakhs, under Current Financial Assets in the Consolidated Financial Results are subject the reconciliation and confirmation from the customers. Consequent impact of non-collection of receivables shall impair GST exemption on Exports which needs to be provided. The effect of the non- confirmation / non-reconciliation is not quantifiable.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the

provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

The statement of consolidated financial results has been prepared on the basis of the annual consolidated financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the consolidated financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial results, the Board of Directors of the company are responsible for assessing the ability of the to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the company are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The consolidated Financial Results include the unaudited Financial Results of the subsidiary, whose Financial Statements reflect Group's share of total assets of Rs. 1.10 lakhs as at March 31, 2024, Group's share of total

revenue of Rs. Nil and Rs. Nil and Group's share of total net profit/(loss) after tax of Rs. Nil and Rs. Nil for the quarter and year ended March 31, 2024, as considered in the consolidated Financial Results. These unaudited Financial Results have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the Board of Directors, the Financial Results of this subsidiary are not material to the Group.

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between audited figures in respect of the full financial year and the year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters.

For **K. GOPAL RAO & CO.,**

Chartered Accountants.

Sd/-

CA. MADAN GOPAL NARAYANAN

PARTNER FIRM NO.: 211784

UDIN: 24211784BKFJPG7134

Place: Chennai

Date: 30/05/2024

CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2024

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I. Assets			
1. Non-current assets			
a) Property, plant and equipment	1	28,144,245	35,305,800
c) Deferred tax asset		1,246,737	918,342
Total non-current assets		29,390,982	36,224,142
2. Current assets			
a) Financial assets			
(i) Trade receivables	3	146,535,243	171,363,317
(ii) Cash and cash equivalents	4	400,528	425,446
(iii) Bank balances other than (ii) above		103,172	103,172
(iv) Other Financial Assets	5	658,457	1,491,478
b) Current tax asset (net)		38,002,148	38,002,148
c) Other current assets		3,901,696	3,065,277
Total current assets		189,601,244	214,450,839
Total assets		218,992,227	250,674,980
II. Equity and Liabilities			
Equity	6		
a) Equity share capital		154,571,060	154,571,060
b) Other equity		(32,489,379)	(38,773,911)
Total equity		122,081,681	115,797,149
Liabilities			
1. Non-current liabilities			
a) Deferred Tax Liabilities	7	-	-
Total non-current liabilities		-	-
2. Current liabilities			
a) Financial liabilities			
(i) Borrowings	8	83,140,440	63,656,243
(ii) Trade payables	9	4,079,710	3,522,649
(iii) Other financial liabilities	9	103,172	59,603,172
b) Other current liabilities	10	9,587,224	8,095,767
Liabilities directly associated with assets classified as held for sale			
Total current liabilities		96,910,546	134,877,831
Total liabilities		96,910,546	134,877,831
Total equity and liabilities		218,992,227	250,674,980
The accompanying notes form an integral part of these consolidated financial statements			
As per our report of even date attached			
For K.Gopal Rao & Co		For and on behalf of the Board of Directors Chartered	
Accountants,			
Firm Registration No. 0009568			
Madan Gopal Narayanan			
Partner		Dr. M. Vasudevan	M. Vijayakumar
Membership No. 211784		Managing Director	Director
Date: 30/05/2024 Place: Chennai			

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2024

	Particulars	Note no	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	11	42,803,176	27,641,127
II	Other income, net	12	56	-
III	Total income		42,803,232	27,641,127
IV	Expenses			
	Employee benefit expense	13	18,323,342	10,058,289
	Depreciation and amortisation	14	7,161,554	8,966,810
	expense Other expenses	15	8,825,724	5,627,013
	Total expenses		34,310,620	24,652,112
V	Profit before exceptional items and tax		8,492,612	2,989,014
VI	Exceptional items		-	-
VII	Profit before tax		8,492,612	2,989,014
VIII	Tax expense			
	(i) Current tax		2,536,474	1,295,654
	(ii) Deferred tax		(328,395)	(518,511)
IX	Profit for the period		6,284,532	2,211,871
X	Other Comprehensive Income			
	a) Items that will not be reclassified to Profit or Loss			
	b) Income tax relating to items that will not be reclassified to Profit or Loss			
	c) Items that will be reclassified to Profit or Loss			
	d) Income tax relating to items that will be reclassified to Profit or Loss			
XI	Total Comprehensive Income for the period		6,284,532	2,211,871
XII	Earnings per equity share			
	Equity shares of par value Rs. 10 each			
	Basic		0.41	0.14
	Diluted		0.41	0.14
	Numbers of shares			
	Basic		15,457,106	15,457,106
	Diluted		15,457,106	15,457,106

The accompanying notes form an integral part of these consolidated financial statements As per our report of even date attached

For K.Gopal Rao & Co
Directors Chartered Accountants,
Firm Registration No. 0009568
Madan Gopal Narayanan
Partner
Membership No. 211784
Date:30/05/2024
Place: Chennai

For and on behalf of the Board of

Dr. M. Vasudevan
Managing Director

M. Vijayakumar
Director

CONSOLIDATED CASH FLOW STATEMENT

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	8,492,612	2,989,014
Adjustments for:		
Depreciation and amortisation expense	7,161,554	8,966,810
Operating profit before working capital changes	15,654,166	11,955,825
Changes in working capital:		
Decrease/(Increase) in trade receivables	24,828,074	(26,725,553)
Increase/(Decrease) in trade payables	557,061	126,524
Increase/(Decrease) in Other current liabilities	1,427,500	2,620,697
Increase/(Decrease) in Other current financial liabilities	(59,500,000)	-
Decrease/(Increase) in Other current assets	(836,419)	(829,801)
Decrease/(Increase) in other current financial asset	833,021	(442,000)
Cash generated from operations	(32,690,763)	(25,250,134)
Taxes Paid	2,536,474	1,295,654
Net cash generated from operating activities	(19,573,072)	(14,589,963)
Cash flows from investing activities		
Payments for property, plant and equipment	-	-
Net cash outflow from investing activities	-	-
Cash flows from financing activities		
Proceeds from borrowings	19,484,197	14,684,626
Dividend on OCRPS	-	-
Net cash inflow from financing activities	19,484,197	14,684,626
Net increase (decrease) in cash and cash equivalents	(88,875)	94,663
Cash and cash equivalents at the beginning of the financial year	489,403	394,740
Cash and cash equivalents at end of the year	400,528	489,403

The accompanying notes form an integral part of these consolidated financial statements As per our report of even date attached

For K.Gopal Rao & Co
Directors

Chartered Accountants,
Firm Registration No. 0009568
Madan Gopal Narayanan
Partner
Membership No. 211784
Date:30/05/2024 Place: Chennai

For and on behalf of the Board of

Dr. M. Vasudevan.
Managing Director

M. Vijayakumar
Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

ORGANIZATION AND NATURE OF OPERATIONS

California Software Company Limited (hereinafter referred to as “the Company” or “the Parent Company”) and its subsidiaries (hereinafter collectively referred to as “the Group”) are primarily engaged in providing a range of software development services, business process outsourcing services and IT infrastructure services. The Company was incorporated under the provisions of the Companies Act applicable in India in February 1992, having its registered office at Workflo, Greeta Towers, Industrial Estate, Perungudi, OMR Phase 1, Chennai 600096, INDIA.

The Group leverages its offshore infrastructure and professionals to deliver solutions across select verticals, including financial services, manufacturing (automotive, aerospace, Hi-tech, semi-conductors), life sciences & healthcare, public services (oil and gas, energy and utility, travel, transport and logistics), retail and consumer products, telecom, media, publishing and entertainment.

The consolidated financial statements for the year ended 31 March 2024 were approved and authorised for issue by the Board of Directors on 30th May 2024.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements have been prepared under the historical cost convention on accrual and going concern basis, except for the following assets and liabilities, which have been measured at fair value:

- a) Derivative financial instruments,
- b) Certain financial assets and liabilities (refer to accounting policy regarding financial instruments)

The accounting policies adopted in preparing these financial statements are consistent with those of the previous year. The Company uses the Indian rupee (‘ ₹’) as its reporting currency.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of California Software Company Limited, the Parent Company, and its subsidiaries. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Precisely, the Group controls an investee if and only if the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b) Exposure, or rights, to variable returns from its involvement with the investee and
- c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that majority voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee
- b) Rights arising from other contractual arrangements

c) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate changes to one or more of the three control elements.

The financial statements of the subsidiaries in the Group are added on a line-by-line basis, and inter-company balances and transactions, including unrealised gain/loss from such transactions, are eliminated upon consolidation. The consolidated financial statements are prepared by applying the Group's uniform accounting policies.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the investee's financial and operating policy decisions but is not in control or joint control over those policies. The aggregate of the Group's share of profit and loss of an associate is shown on the face of the statement of profit and loss.

Use of Estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the consolidated financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, and other contingencies and commitments. Changes in estimates are reflected in the consolidated financial statements in the year the changes are made. Actual results could differ from those estimates.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquire. For each business combination, the Group estimates the non-controlling interest in the acquire at fair value. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as a financial liability is measured at fair value with changes in fair value recognised in the profit and loss statement.

Goodwill is initially measured at cost, the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest, and any previous interest held over the net identifiable assets acquired and liabilities assumed. Suppose the fair value of the net assets acquired is more than the aggregate consideration transferred. In that case, the excess is recognised as a capital reserve after reassessing the fair values of the net assets.

Foreign currency and translation

The Group's consolidated financial statements are presented in Indian Rupee (₹), the parent company's functional currency. For each entity, the Group determines the functional currency, its respective local currency, except for four subsidiaries outside India being investment companies that use the '\$' as their functional currency, and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct consolidation method, and on disposal of a foreign operation, the gain or loss that is reclassified to the statement of profit and loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the transaction date. Foreign currency-denominated monetary assets and liabilities are translated to the relevant

functional currency at exchange rates in effect at the balance sheet date. The profit and loss statement recognises exchange differences arising on settlement or translation of monetary items. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the year. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the transaction date.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation for consolidation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of profit and loss.

Fair value measurement

The Group records certain financial assets and liabilities at fair value regularly. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The Group holds specific fixed-income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximise observable inputs and minimise the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable, supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach – Converting the future amounts based on market expectations to their present value using the discounting method.
- Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. These assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognised in business combinations are initially measured at fair value, and when there is an indicator of impairment, the impairment is recognised.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

Revenue recognition

Contracts involving the provision of services

Revenue is recognised when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable, and collectability is reasonably assured. Contracts can be primarily categorised as time-and-material or fixed-price contracts.

Time-and-material contracts

Revenue concerning time-and-material contracts is recognised as the related services are performed.

Fixed Price contracts

Revenue related to contracts providing maintenance and support services is recognised over the contract term where the Group has a continuing obligation.

Revenue from technology integration and complex network-building contracts is recognised in accordance with the Percentage-Of-Completion (POC) method. Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of estimated total cost or other measures of progress when available. If circumstances change the original estimates of revenues, expenses, or extent of progress towards completion, revisions are made to the forecast. These revisions may result in an increase or decrease in estimated revenues or costs, and such modifications are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. Provisions for estimated losses on contracts in progress are recorded when such losses become probable based on the current cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenue generated by the contract and are included in the price of services and classified in other accrued liabilities.

In arrangements involving sharing of customer revenues, revenue is recognised when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future customer sales is recognised when earned, and collectability is reasonably assured.

Revenues from unit-priced contracts are recognised as transactions are processed based on objective output measures.

Revenue from product sales is shown net of sales tax and applicable discounts and allowances. Revenue related to the product with installation services that are critical to the product is recognised when installation of the product at the customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognised for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses, the revenue of each component is determined based on its fair value.

Revenue recognition for delivered elements is limited to the amount not contingent on the future delivery of products or services, future performance obligations or subject to customer- specified return or refund privileges.

Revenue from activities in transition services not having a standalone value in outsourcing arrangements is deferred and recognised throughout the arrangement. Direct and incremental costs in relation to such an arrangement are also deferred to the extent of revenue. Certain upfront non-recurring contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and amortised, usually on a straight-line basis, over the term of the contract unless revenues are earned, and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement

are periodically estimated and compared with the unamortised costs. A loss is recognised if the unamortised costs exceed the undiscounted cash flow.

When revenue is derived from sales of third-party vendor services, materials or licenses, revenue is recorded on a gross basis when the Group is a principal to the transaction and net of costs when the Group is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Group is a principal or an agent, most notably whether the Group is the primary obligor to the customer, has established its pricing, and has inventory and credit risks.

Revenue is recognised net of discounts and allowances, value-added tax and goods & service tax. It includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in the cost of revenues.

Revenue from financing leases is recognised when the risk of loss has been transferred to the client, and no unfulfilled obligations affect the client's final acceptance of the arrangement. Revenue from operating leases is accounted for on a straight-line basis as service revenue over the rental period. Interest attributable to financing leases included therein is recognised on an accrual basis using the effective interest method.

Interest income

Interest income for all financial instruments measured at amortised cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or the amortised cost of financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the profit and loss statement.

Income taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and laws enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Deferred income tax assets and liabilities are recognised for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are recognised for those temporary differences that originate during the tax holiday period and are reversed after the tax holiday period. For this purpose, the first-in-first-out method determines the reversal of timing differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred income tax assets and liabilities are measured using tax rates and tax laws enacted or substantively by the balance sheet date. They are expected to apply to taxable income in the years when those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred taxes relate to the same taxable entity and taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax

losses can be utilised. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the profits of the subsidiary or branch will not be distributed in the foreseeable future.

Tax benefits acquired as part of a business combination but not satisfying the criteria for separate recognition at that date are recognised subsequently if new information about facts and circumstances changes. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the statement of profit and loss.

In some tax jurisdictions, tax deductions on share-based employee payments differ from the related cumulative remuneration expenses. If the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the excess of the associated tax is recognised directly in retained earnings.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Group identifies and determines separate useful lives for each significant component of the property, plant and equipment if they have a useful life that is materially different from that of the asset.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from the derecognition of assets are measured as the difference between the net disposal proceeds and the asset's carrying amount. They are recognised in the profit and loss statement when the asset is derecognised. Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at less than accumulated amortisation and impairment losses.

Intangible assets are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate. They are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit and loss statement.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the asset's carrying amount. They are recognised in the profit and loss statement when the asset is derecognised.

The intangible assets are amortised over the estimated useful life of the assets as mentioned below, except certain Licensed IPRs, which include the right to modify, enhance or exploit, are amortised in proportion to the expected benefits over the useful life, which could range up to 15 years.

Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation begins when development is complete and the asset is available. It is amortised throughout the expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial time to get ready for its intended use are capitalised as part of the asset's cost. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing funds. Borrowing costs also include exchange differences to the extent regarded as adjusting the borrowing costs.

Inventory

Stock-in-trade, stores and spares are valued at the lower cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The cost of stock-in-trade procured for specific projects is assigned by identifying the individual costs of each item. The price of stock in trade that is interchangeable and not specific to any project and the cost of stores and spare parts is determined using the weighted average cost formula.

Impairment of non-financial assets Goodwill

Goodwill is tested annually on March 31 for impairment, or sooner when there is an indication that goodwill may be impaired, relying on several factors, including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash-generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value, less cost to sell, and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata, based on the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognised in the profit and loss statement is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the asset's carrying value exceeds the estimated recoverable amount of the asset.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

Equity settled stock-based compensation

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at the grant date, based on the estimated fair value of the award and recognises the cost (net of estimated forfeitures) on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards. The Company estimates the fair value of stock options using the Black-Scholes valuation model. The cost is recorded under the head employee benefits expense in the profit and loss statement with a corresponding increase in “Share-Based Payment Reserve”.

Financial Instruments

A financial instrument is a contract that gives rise to one entity's financial asset and another's financial liability or equity instrument.

Financial assets

All financial assets are recognised initially at fair value. Transaction costs directly attributable to acquiring financial assets (other than those at fair value through profit or loss) are added to the fair value measured on initial recognition of financial assets. Purchase and sale of financial assets are accounted for at the trade date.

Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash in banks and short-term deposits with an original maturity of three months or less, subject to an insignificant risk of changes in value.

Financial assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit and loss statement. The losses arising from impairment are recognised in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

Financial asset at Fair Value through Other Comprehensive Income (OCI)

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets and
- b. The asset's contractual cash flows represent solely principal and interest payments. Financial assets included within the OCI category are measured initially and at each reporting date at fair value. Fair value movements are recognised in OCI. Interest income is recognised in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from OCI to the statement of profit and loss.

Financial assets at Fair Value through Profit and Loss

Any financial asset that does not meet the criteria for categorisation at amortised cost or fair value through other comprehensive income is classified at fair value through profit and loss. Financial assets included at the fair value through the profit and loss category are measured at fair value with all changes recognised in the profit and loss statement.

Equity investments

Equity investments, for which sufficient, more recent information to measure fair value is unavailable, are measured at cost. Other equity investments in the scope of Ind AS 109 are measured at fair value through profit and loss.

Equity investments within the fair value through the profit and loss category are measured at fair value with all changes recognised in the profit and loss statement.

Derecognition of financial assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets that are not fair valued through profit and loss. Lifetime ECL allowance is recognised for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL unless there has been a substantial increase in credit risk from initial recognition, in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) required to adjust the loss allowance at the reporting date is recognised in the profit and loss statement.

Financial liabilities

All financial liabilities are recognised at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings, bank overdrafts, and other payables.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method, except for deferred consideration recognised in a business combination, which is subsequently measured at fair value through profit and loss. Gains and losses are identified in the profit and loss statement when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit and loss statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Derivative financial instruments and hedge accounting

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies.

The Group recognises all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date, and the related gains (losses) are recognised in the statement of profit and loss as 'foreign exchange gains (losses)'.

The foreign exchange forward contracts and options regarding forecast transactions that meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognised in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognised in the profit and loss statement.

In respect of derivatives designated as hedges, the Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued, the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognised in current-year earnings.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

Dividend

Final dividends proposed by the Board of Directors are recognised upon approval by the shareholders, who have the right to decrease but not increase the dividend recommended by the Board of Directors. Interim dividends are recognised on a declaration by the Board of Directors.

Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been issued at fair value (i.e. the

average market value of the outstanding shares). Dilutive potential equity shares are deemed converted at the beginning of the year unless issued later. Dilutive potential equity shares are determined independently for each year presented.

It recently issued accounting pronouncements.

On 28 March 2018, the Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) (Amendments) Rules, 2018, amending the following standards:

Appendix B to Ind AS 21, ‘Foreign Currency Transactions and Advance Consideration

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non- monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non- monetary liability arising from the advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group’s current practice aligns with the Interpretation, the Group does not expect any effect on its consolidated financial statements.

Ind AS 115, Revenue from Contract with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from customer contracts. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts. The effective date for the adoption of Ind AS 115 is the financial period beginning on or after 1 April 2018.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition

- Retrospective approach: In this approach, the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach)

The Group is currently evaluating the impact of adopting this new standard on its consolidated financial statements.

NOTE 1: PROPERTY, PLANT AND EQUIPMENT

Particulars	Computers and Accessories	Total
Gross carrying value as at April 1, 2023	35,305,799	35,305,799
Additions	-	-
Deletions	-	-
Gross carrying value as at March 31, 2024	35,305,799	35,305,799
Particulars	Computers and Accessories	Total
Accumulated depreciation as on April 1, 2023	-	-
Depreciation	7,161,554	7,161,554
Accumulated depreciation as on deletions	-	-
Accumulated depreciation as on March 31, 2024	7,161,554	7,161,554
Carrying value as at March 31, 2024	28,144,245	28,144,245

NOTE 3: TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Trade receivables	146,535,243	171,363,317
Unsecured, Considered good		
Total	146,535,243	171,363,317

NOTE 4: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks	352,203	367,122
In current and deposit accounts		
Cash on hand	48,326	58,325
Total	400,528	425,446
Bank balances other than above		
Balances with banks- Unpaid dividend accounts	103,172	103,172
*Of the above Rs.51163/- was due for Investor Protection and education fund 29/08/2014. Company transferred the amount on 04/05/2015 and filed necessary forms.		

NOTE 5: OTHER CURRENT ASSETS AND OTHER CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Other Loans and advances	658,457	1,211,626
Rental Advance		279,852
Total	658,457	1,491,478
Other Loans and advances		
	658,457	1,211,626
Rental Advance		279,852
Total	658,457	1,491,478

NOTE 6: EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Capital		
17,10,00,000 Equity Shares of Rs.10/- each with equal voting rights	171,00,00,000	171,00,00,000
40,00,000 Preference Shares of Rs.10/- each with equal voting rights	40,000,000	40,000,000
Total	175,00,00,000	175,00,00,000
Issued, Subscribed and paid up		
1,54,57,106 Equity Shares of Rs.10/- each with equal voting rights	154,571,060	154,571,060
4,18,700 Optionally Convertible Redeemable Preference Shares (OCRPS) at Rs.10	4,187,000	4,187,000
Total	158,758,060	158,758,060

NOTE 7: DEFFERED TAX

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities	-	-

NOTE 8: FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Loan from Directors	83,140,440	63,656,243

NOTE 9: TRADE PAYABLES AND OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables	4,079,710	3,522,649
Other Financial Liabilities		
Liability towards capital goods		57,500,000
Unpaid dividends	103,172	103,172
Other Advances	-	2,000,000
Total	103,172	59,603,172

NOTE 10: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory liabilities	5,456,702	7,099,767
Audit Expenses Payable	650,458	754,958
Gratuity Payable	135,278	135,278
Provision for Dividend on OCRPS	35,685	35,685
Other Current Liabilities	223,005	70,079
Employee Benefit Expenses	3,086,096	
Total	9,587,224	8,095,767

NOTE 11: REVENUE FROM OPERATIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Sale of Services	42,803,176	27,641,127

NOTE 12: OTHER INCOME

Particulars	As at March 31, 2024	As at March 31, 2023
Other Income	56	56

NOTE 13: EMPLOYEE BENEFITS EXPENSE

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefits expense		
Salary Expenses	17,867,781	10,032,704
Staff welfare expenses	455,561	25,585
Total	18,323,342	10,058,289

NOTE 14: DEPRECIATION AND AMORTISATION

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation and Amortisation		
Depreciation & Amortisation	71,61,554	8,966,810

NOTE 15: OTHER EXPENSES

Particulars	As at March 31, 2024	As at March 31, 2023
Rent – Office	2,336,940	1,700,160
Communication expenses	38,635	36,538
Listing fees		560,000
Travel Expenses	11,099	319,650
Audit Fee	450,000	510,000
Secretarial & Professional Fees	806,872	514,900
Share Maintenance Charges	-	140,332
ROC Fees	101,508	65,260
Depository Charges	488,459	-
Other Expenses	783,830	565,424
Advertisement	33,508	814,559
Bank Charges	9,287	7,051
Rates and Taxes	114,190	3,500
Administration Expenses	-	7,100
Website and Domain Charges	73,271	382,538
Issuer Fees	90,244	-
Rental Charges	145,988	-
Payment Gateway Charges	7,759	-
Repair and Maintenance	6,431	-
E-Voting	9,616	-
Digital Media Expenses	2,805,915	-
Software Expense	6,500	-
Storage Expenses	5,564	-
Subscription Charges	2,394	-
Custodian Fees	57,198	-
CRM Recharge	3,245	-
Corporate Tax	2,420	-
Consumables	415,556	-
Postage & Courier	6,500	-
Miscellaneous Expenses	849	-
Naukri Expenses	1,947	-
Commission Expenses	10,000	-
Total	8,825,724	5,627,013

RELATED PARTY TRANSACTION (Rs. In lakhs)

S. No	Details of the party (listed entity / subsidiary) entering into the transaction		Details of the counterparty			Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	PAN	Name	PAN	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance (in Lakhs)	Closing balance (in Lakhs)	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost (see Note 7)	Tenure	Nature (loan/ advance/ inter-corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end-usage)
1	CALIFORNIA SOFTWARE COMPANY LIMITED	AABCC8506B	Dr. Vasudevan Mahalingam	ABGP V5992D	Managing Director and CEO (KMP)	Service	-	0.00	Nil	Nil	Nil	Nil	Remuneration	NA	Nil	NA	Nil	
2			Dr. Vasudevan Mahalingam	ABGP V5992D	Managing Director and CEO (KMP)	Loan from Directors)		97.05	734.35	831.40	Loan	NIL				Unsecured	NA	
3			Ms. Manimala	ATPP M4187N	Executive Director and CFO	Service	Rs.1,00,000 per month approved by shareholders of the Company	3.00	Nil	Nil	Nil	Nil		Remuneration	NA	Nil	NA	Nil
4			Mr. Vijayakumar M	AETPV 1720K	Executive Director	Service	Rs.1,00,000 per month approved by shareholders of the Company	4.5	Nil	Nil	Nil	Nil		Remuneration	NA	Nil	NA	Nil
5			Mr. Venkatesan K	ACJPV 3831H	Company Secretary	Service	Rs.50000 Per month	3.0	Nil	Nil	Nil	Nil		Remuneration	NA	Nil	NA	Nil
Total								107.55	Nil	Nil	Nil	Nil	Nil	NA	Nil	NA	Nil	

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

Accounting Ratios

The following table sets forth the accounting ratios as at March 31, 2024 and March 31, 2023:

(all amounts in ₹ in Lakhs, unless stated otherwise)

Particulars	March 31, 2024	March 31, 2023
Net Worth (A)	1,532.62	1,469.77
Profit attributable to the owners of the equity (B)	62.35	22.12
Number of the shares outstanding at the end of the year (C)		
Weighted Number of the shares outstanding at the end of the year		
- for basic earnings per share (D) (In Rs.)	1,54,57,106	1,54,57,106
- for diluted earnings per share (E) (In Rs.)	1,54,57,106	1,54,57,106
Basic earnings per share (B/D)	0.40	0.14
Diluted earnings per share (B/E)	0.40	0.14
Return on net worth (%) (B/A)	4.10	1.50
Net Asset Value per share		
- based on weighted average number of shares (A/D)	9.92	9.52
- assuming actual number of equity shares with fully diluted capital in prior years (A/E)	9.92	9.52
EBITDA	156.54	119.56
Face value	10.00	10.00

The formulae used in the computation of the above ratios are as follows:

Basic EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period
Diluted EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares and for the effects of all dilutive potential equity shares
Return on Net Worth	Profit/(loss) after tax for the period as presented in the consolidated statement of profit and loss in the Financial Statements / Net Worth
Net Worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
Net Asset Value per Equity Share	Net Worth / Number of Equity Shares subscribed and fully paid outstanding as at the end of March 31, 2024
EBITDA	Profit/(loss) after tax for the period adjusted for income tax expense, depreciation and amortisation expenses and exceptional items as presented in the Audited Consolidated Financial Statements

STATEMENT OF CAPITALIZATION

(In ₹ Lakhs)

Particulars		Pre-Issue as at March 31, 2024	As adjusted for the issue (Post Issue) *
Borrowings:			
Current borrowings	A	831.40	[•]
Non-current borrowings	B	-	[•]
Total borrowings	C=A+B	831.40	[•]
Shareholder's fund (Net worth)			[•]
Share Capital	D	1545.71	[•]
Other Equity^	E	(13.09)	[•]
Total shareholder's fund (Net worth)	F=D+E	1532.62	[•]
Non-current borrowing's/shareholder's fund (Net worth) ratio	B/F	-	[•]
Total borrowings /shareholders' funds (Net worth) ratio	C/F	0.54	[•]

**To be updated in the Letter of Offer*

^excludes non-controlling interest

Notes:

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long-term borrowings.
2. The amounts disclosed above are based on the audited Financial Statements of the Company for the year March 31, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is intended to convey our management's perspective of our financial condition and operating performance as at and for the financial years ended March 31, 2024 and March 31, 2023 and should be read in conjunction with our Audited Financial Results, including the respective notes thereto, and the related auditors' reports thereon, included in "Financial Information" on page 87 of this Draft Letter of Offer. Unless otherwise stated, the financial information used in this section has been derived from our Audited Financial Statement.

Our Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. In this Draft Letter of Offer, unless specified otherwise, any reference to "the Company" or "our Company" refers to California Software Company Limited, and a reference to "we", "us" or "our" is a reference to our Company.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors" and "Our Business" on pages 22 and 70 of this Draft Letter of Offer, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations. Also see "Forward Looking Statements" on page 16 of this Draft Letter of Offer.

Business Overview

We are engaged in the business of Business Analytics and Software development Information Technology (IT). We believe that we specialize in offering software as a service (SaaS), which is fastest-growing segments in the IT industry.

We are focused on providing end-to-end capabilities at scale across the full spectrum of professional services—spanning strategy, consulting, digital, blockchain, gaming, technology and operations. Our services is segmented by business applications type including business intelligence and analytics, e-commerce, Point of Sale (PoS), Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Human Capital Management (HCM), Supply Chain Management (SCM), Unified Communication & Collaboration (UC&C), finance and accounting, Enterprise Content Management (ECM), collaboration, and other enterprise applications such as Risk & compliance management, Product Lifecycle Management (PLM) and Enterprise Performance Management (EPM). We offer our services across various industries Retail, Banking, Manufacturing, etc.

Our Business Strategies

- Strong Leadership team
- Rich and diversified customer base
- Domain knowledge in, and full spectrum coverage of e commerce Industry
- Continuous investment in R&D
- Entrenched sales and distribution network

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subject to various risks and uncertainties, including those discussed in the section titled "*Risk Factors*" on page 22 of this Draft letter of Offer.

- Our Company's future results of operations could be affected potentially by the following factors:
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Inability to cater to the evolving consumer preferences, in India and abroad, in the information technology industry;
- Failure to anticipate or successfully adopt and incorporate new technologies in our offerings;
- Failure to successfully upgrade our service portfolio, from time to time

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “Consolidated Audited Financial Information” on page 87 of this Draft Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in the Notes to the Accounts in the chapter “Consolidated Audited Financial Information” on page 87 of this Draft Letter of Offer has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

Except as stated below the Audit Report issued by our Statutory Auditors has no reservations, qualifications and adverse remarks.

- Balances appearing in Current Tax Asset (net) amounting to ₹ 380.02 lakhs, under current assets in the Standalone Financial statements are subject to reconciliation. The effect of reconciliation is not quantifiable.
- Balance appearing in investment in Equity Instrument of Subsidiary amounting to ₹ 311.38 Lakhs, grouped under the head investments under Non-Current Financial Assets in the Standalone Financial results is subject to impairment testing. The effect of Impairment loss for the said Investment is not quantifiable.
- Balances appearing in Trade Receivables amounting to ₹ 1465.35 Lakhs, under Current Financial Assets in the Standalone Financial Results are subject to reconciliation and confirmation from the customers. Consequent impact of non-collection of receivables shall impair GST exemption on Exports which needs to be provided. The effect of non-confirmation / non-reconciliation is not quantifiable.

COMPONENTS OF INCOME AND EXPENDITURE

Total Revenue

Our total revenue is divided into revenue from operations and other income. Revenue from operations consists revenue from E-Commerce and Omnichannel platforms in India and Spain, Digital Marketing, Hardware and App Development.

Total Expenses

Our total expenses comprise of Employee Benefit Expenses, Depreciation and other expenses.

Employee benefits expenses

Employee benefit expenses comprises of salaries and staff welfare expenses.

Depreciation and amortization expense

Depreciation and amortization expense comprises of depreciation on computers, servers & network.

Other Expenses

Other expenses majorly comprise of Maintenance expenses, Audit fees, Secretarial & Professional Fees, Rent, Depository Charges, Foreign Exchange Loss, and Communication expenses, etc.

Taxation

The current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

RESULTS OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the Consolidated Audited Financial Statements of our Company for the financial years ended March 31, 2024 and 2023:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	₹ in Lakhs	% to the Revenue	₹ in Lakhs	% to the Revenue
Income				
Revenue from Operations	428.03	100.00	276.41	100.00
Other Income	0.00	0.00	0.00	0.00
Total	428.03	100.00	276.41	100.00
Expenses				
Employees Benefit Expenses	183.23	42.81	100.58	36.39
Depreciation	71.62	16.73	89.67	32.44
Other Expenses	88.26	20.62	56.27	20.26
TOTAL	343.11	80.16	246.52	89.19
Profit/(loss) before tax	84.92	19.84	29.89	10.81
Less: Current Tax	25.85	6.04	12.96	4.69
Less: Deferred Tax	(3.28)	(0.77)	(5.19)	(1.88)
Profit/(loss) after tax	62.35	14.57	22.12	8.00

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2024 TO MARCH 31, 2023

Revenue from Operations

Our total revenue increased by 54.85% to ₹ 428.03 Lakhs for the FY 2024 from ₹ 276.41 Lakhs for the FY 2023 due to an increase in exports and other income.

Total Expenses

Our total expenses increased by 39.18% to ₹ 343.11 Lakhs for the FY 2024 from ₹ 246.52 Lakhs for the FY 2023 due to the factors described below:

Employee Benefit Expenses

The Employee Benefit Expenses increased by 82.17% to ₹ 183.23 Lakhs in FY 2024 from ₹ 100.58 Lakhs in FY 2023.

Depreciation and Amortization Expenses

The Depreciation and Amortization expenses decreased to ₹71.62 Lakhs in FY 2024 from 89.67 in FY 2023.

Other Expenses

The Other expenses increased by 38.18% to ₹ 88.26 Lakhs in FY 2024 from ₹ 56.27 Lakhs in FY 2023.

Profit before Tax

Our profit before tax increased by 184.11% to ₹ 84.92 Lakhs for the FY 2024 from ₹ 29.89 Lakhs for the FY 2023.

Tax Expenses

Our total tax expense also accordingly increased by 14.80 Lakhs in FY 2024 from ₹ 7.77 Lakhs in the FY 2023.

Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by 181.87% to ₹ 62.35 Lakhs in FY 2024 from ₹ 22.12 Lakhs in FY 2023.

Contingent Liabilities

There were no contingent liabilities as on March 31, 2024.

RELATED PARTY TRANSACTIONS

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, salary, commission and Issue of Equity Shares. For further details of related parties kindly refer chapter titled "Financial Information" beginning on page 87 of this Draft Letter of Offer.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed in this Draft Letter of Offer, there have been no significant developments after March 31, 2024, the date of the latest balance sheet included in this Draft Letter of Offer that may affect our future results of operations. For further information, see "Material Developments" on page 126 of this Draft Letter of Offer

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements. As on June 30, 2024, our total outstanding unsecured borrowing was ₹ 910.40 lakhs.

UNSECURED BORROWINGS

Our Company has availed the following unsecured loans from director as under:

Category of borrowing	Outstanding amount as on March 31, 2024 (₹ in Lakhs)	Outstanding amount as on June 30, 2024 (₹ in Lakhs)
Borrowings other than debt securities	831.40	910.40

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company, Directors, Promoter, and Subsidiary Company are subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. Except as disclosed below, there are no outstanding litigations involving our Company and Subsidiary Company with respect to:

- *Issues of moral turpitude or criminal liability.*
- *Material violations of statutory regulations.*
- *Economic offenses where proceedings have been initiated.*
- *Any matters that, if resulting in an adverse outcome, would materially and adversely affect the operations or financial position of our Company and/or our Promoter/Directors/Subsidiary Company.*

Regarding point (iv) above, the Board of Directors revised and approved the materiality policy effective from January 25, 2022. According to this policy, the materiality threshold is calculated based on the audited consolidated financial statements of the last audited financial year. An event or information is considered material if the value involved or the impact is (i) 5 % of Turn over (ii) Rs. 5 Crores, whichever is higher.

A. LITIGATIONS INVOLVING OUR COMPANY

(I) Litigations filed against our Company

Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:

Tax Proceedings

The following tax proceedings are pending against the Company:

(i) Direct Tax

According to the Income Tax website, the following e-proceedings are currently shown as either "open" or "pending." However, the specific amounts involved have not been mentioned and cannot be determined at this time:

Assessment Year	Proceeding Name
2007-2008	First Appeal Proceedings
2010-2011	First Appeal Proceedings
2011-2012	First Appeal Proceedings
2013-2014	First Appeal Proceedings
2014-2015	Assessment Pending u/s 147
2015-2016	Assessment Pending u/s 143(3)
2016-2017	Assessment Pending u/s 147
2018-2019	Defective Notice u/s 139 (9)

Detailed Information on Current Status of Litigations:

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	Outstanding Demand (in Rupees)	Final Interest /Accrued Interest (in Rupees)	Description
2004-2005	143(3)	20102004 51085805 506C	December 27, 2006	62,20,893	1,44,21,744	<p>This case pertains to the interpretation of 'technical services outside India' as it appears in the definition of 'export turnover,' specifically referring to 'technical services provided outside India' for the development or production of computer software. During the hearing, reference was made to CBDT Circular No. 694 dated 23.11.94, which provides clarifications regarding the tax holiday under sections 10A and 10B for units producing computer software in Export Processing Zones (EPZs), Software Technology Parks (STPs), or 100% Export-Oriented Units (EOUs).</p> <p>Status : Pending</p> <p>Financial Impact: The original demand was Rs. 151.76 lakhs. The company has paid Rs. 95.00 lakhs to date. The current disputed amount is Rs. 62.20 lakhs. The appeal has not been disposed of, and the company is awaiting direction from the High Court</p>
2006-2007	143(3)	201020065 108579693 4C	December 31, 2009	12,380	-	<p>This case involves issues related to transfer pricing, expenditure in foreign exchange for 10B claim, and Section 14A of the Income Tax Act. The IT department lost the case at both the CIT appeal and Tribunal levels.</p> <p>Status : Pending</p> <p>Financial Impact: The original demand was Rs. 12,380. The company has paid Rs. 22.10 lakhs. There are three orders against this demand: (1) Assessing Officer order, (2) Appeal order, and (3) Tribunal order.</p>
2007-2008	143(3)	201020075 108580516 5C	December 31, 2009	19,58,868	26,24,792	<p>This case involves issues related to transfer pricing, expenditure in foreign exchange for 10B claim, and Section 14A of the Income Tax Act. The IT department lost the case at both the CIT appeal and Tribunal levels. On 31/03/2014, an order was given by the assessing officer under section 254.</p>
2007-2008	254	201320071 002131856 5C	March 31, 2014	1,76,77,960	1,76,77,900	<p>This case involves issues related to transfer pricing, expenditure in foreign exchange for 10B claim, and Section 14A of the Income Tax Act. The IT department lost the case at both the CIT appeal and Tribunal levels. On 31/03/2014, an order was given by the assessing officer under section 254.</p>

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	Outstanding Demand (in Rupees)	Final Interest /Accrued Interest (in Rupees)	Description
						<p>Current Status: Ongoing, Stay Granted</p> <p>Financial Impact: The original demand was Rs. 1,76,77,960. The company has paid Rs. 50.00 lakhs. The current disputed amount is Rs. 19,58,868. Calsoft has obtained a stay until the disposal of the order.</p>
2008-2009	154	201320081 000820700 2C	September 06, 2013	53,20,670	56,93,042	<p>This case involves issues related to the application of Section 14A of the Income Tax Act. The judgment for the year 2008-09, issued on 16/03/2021, was favorable to Calsoft. However, a rectification petition is being filed to correct errors in the order passed, which gave effect to the CIT Appeals Order, and to reverse the demand.</p> <p>Current Status: Favourable to the Company, Rectification Petition Filed</p> <p>Financial Impact: The original demand was Rs. 53,20,670. As per the judgment, Calsoft is required to pay only Rs. 2.00 lakhs under Section 14A. The ITAT order effect has not been given to date.</p>
2009-2010	143(3)	201220091 002795118 2C	March 31, 2013	37,86,310	46,50,519	<p>This case involves issues related to Section 14A, advances written off, provisions for doubtful advances, and the applicability of Section 10A. The case in the CIT appeal was favorable to the company, but the effect was not given. The ITAT order effect was also not given. The IT Department has taken the case to the High Court, where it is currently pending.</p> <p>Current Status: Pending in High Court</p> <p>Financial Impact: The original demand was Rs. 37,86,310. The CIT appeal was in the company's favor, but the effect has not been given.</p>
2010-2011	154	201420101 000023576 6C	April 15, 2014	25,44,460	25,44,460	<p>This case involves issues related to Section 10A, Section 14A, expenses in foreign currency, and telecommunication expenses. The total demand was Rs. 156.00 lakhs, and the current outstanding amount is Rs. 25.44 lakhs. The CIT appeal was in the company's favor, but the effect has not been</p>

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	Outstanding Demand (in Rupees)	Final Interest /Accrued Interest (in Rupees)	Description
						given. The ITAT order effect is also pending. Current Status: Pending, Favourable to the Company Financial Impact: The original demand was Rs. 156.00 lakhs. The current outstanding amount is Rs. 25.44 lakhs.
2011-2012	143(3)	2015201110001601900C	June 18, 2015	4,86,78,090	4,18,63,080	This case involves issues related to Transfer Pricing and Section 14A of the Income Tax Act. The total demand was Rs. 486.78 lakhs. The CIT appeal is pending, and the effect has not yet been given. Current Status: Pending, Favourable to the Company Financial Impact: The original demand was Rs. 486.78 lakhs.
2013-2014	143(3)	2015201310011371823C	March 24, 2016	3,03,61,050	2,33,77,970	This case involves issues related to Transfer Pricing and Section 14A of the Income Tax Act. The total demand was Rs. 303.61 lakhs. The CIT appeal is pending, and the effect has not yet been given. Current Status: Pending, Favourable to the Company Financial Impact: The original demand was Rs. 303.61 lakhs.
2019-2020	143(1)(a)	2020201937018980444C	October 17, 2020	5,17,090	1,13,740	Computational Current Status: Pending Financial Impact: The original demand was Rs. 5.17 lakhs.
2016-2017	147	2021201637004693131C	March 27, 2022	66,93,500	29,45,140	This case involves issues related to Transfer Pricing and Section 14A of the Income Tax Act. The total demand was Rs. 66.93 lakhs. The CIT appeal is pending, and the effect has not yet been given. Current Status: Pending Financial Impact: The original demand was Rs. 66.93 lakhs.
2014-2015	271(1)(c)	2022201440411013122C	September 20, 2022	69,59,360	2,08,809	This case is under appeal regarding issues related to Transfer Pricing and Section 14A. The total demand was Rs. 66.56 lakhs. The CIT appeal is pending, and the effect has not yet been given. Current Status: Pending Financial Impact: The original demand was Rs. 6.56 lakhs.
2022-2023	143(1)(a)	202320223723164419	December 29, 2023	1,72,58,430	10,35,504	Computational Current Status: Pending

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	Outstanding Demand (in Rupees)	Final Interest /Accrued Interest (in Rupees)	Description
		4C				Financial Impact: The original demand was Rs. 172.58 lakhs.
2023-2024	143(1) (a)	202320233 722113551 2C	December 04, 2023	14,29,090	85,740	Computational Current Status: Pending Financial Impact: The original demand was Rs. 14.29 lakhs.
2016-2017	271(1) (c)	202220164 041101308 2C	September 20, 2022	54,02,248	16,21,26	This case involves issues related to Transfer Pricing and Section 14A of the Income Tax Act. The total demand was Rs. 54.02 lakhs. The CIT appeal is pending, and the effect has not yet been given. Current Status: Pending Financial Impact: The original demand was Rs. 54.02 lakhs.
Total				15,48,20,399	11,74,04,566	

(ii) *Tax Deducted at Source (TDS)*

Sr. No	Financial Year	Total Default (in Rupees)
1.	Prior Years	3,33,575.00
2.	2021-2022	15,187.00
3.	2022-2023	17,865.00
4.	2023-2024	4,267.00
Total		3,70,894.00

Most of the IT litigations involving Calsoft are under the jurisdiction of the Income Tax Appellate Tribunal (ITAT) or the Commissioner of Income Tax (CIT). In the majority of these cases, judgments have been in favor of Calsoft. The company has deposited a total of Rs. 319.52 lakhs as demand to the tax department on various occasions. Calsoft is actively following up with the IT department to expedite the completion or settlement of these cases. This proactive approach is aimed at enhancing the valuation of Calsoft in the growing market.

b. Matters involving issues of moral turpitude or criminal liability on the part of our Company.

There are no issues of moral turpitude or criminal liability on the part of the Company.

c. Matters involving material violations of Statutory Regulations by our Company

There are no material violations of statutory regulations by the Company.

d. Economic Offences where proceedings have been initiated against our Company.

There are no matters involving economic offenses where proceedings have been initiated against our Company.

(II) *Litigations filed by our Company.*

- a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:

There are no pending matters which, if resulting in an adverse outcome, would materially and adversely affect the operations or financial position of our Company.

B. LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANY

(I) Litigation filed against our Subsidiary Company

- a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Subsidiary Company:

The following tax proceedings are pending against the Subsidiary Company:

(i) Direct Tax

As per the Income Tax website, the following e-proceedings are shown as pending with "open" or "pending" status. However, the specific amounts involved have not been mentioned and cannot be determined at this time:

Assessment Year	Proceeding Name
2014-2015	Issue Letter
2016-2017	Issue Letter
2019-2020	Adjustment u/s 143(1)(a)

According to the Income Tax Department website, the following defaults in the payment of Income Tax by the Subsidiary Company are still outstanding:

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	Outstanding Demand (in Rupees)	Final Interest/Accrued Interest (in Rupees)	Description
2009-2010	143(1)(a)	2010200910029227716C	February 21, 2011	37,568	26,533	Computational Current Status: Pending Impact on Subsidiary: The original demand was Rs. 0.46 lakhs.
2009-2010	115_WE	2010200910049362590C	February 21, 2011	6,105	-	
2011-2012	143(3)	2013201110017568811C	February 25, 2014	-	4,753	
Total				43,673	31,286	

(ii) Tax Deducted at Source (TDS)

Sr. No	Financial Year	Total Default (in Rupees)
1.	Prior Years	6,16,726
Total		6,16,726

b. Matters involving issues of moral turpitude or criminal liability on the part of our Subsidiary Companies.

There are no issues of moral turpitude or criminal liability on part of our Subsidiary Company.

c. Matters involving material violations of Statutory Regulations by our Subsidiary Companies.

There are no material violations of Statutory Regulations by our Subsidiary Company.

d. Economic Offences where proceedings have been initiated against our Subsidiary Companies.

There are no matters involving economic offences where proceedings have been initiated against our Subsidiary Company.

(II) Litigation filed by our Subsidiary Company

a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Subsidiary Company:

There are no pending matters which, if resulting in an adverse outcome, would materially and adversely affect the operations or financial position of our Subsidiary Company.

C. LITIGATIONS INVOLVING OUR PROMOTOR

(I) Litigation filed against our Promotor

a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Promotor:

The following tax proceedings are pending against the Promotor:

(i) Direct Tax

According to the Income Tax website, the following outstanding tax demand are currently shown as outstanding against our Promoter:

1. Vasudevan. M

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	Outstanding Demand (in Rupees)
2006-07	143(1)	2010200651050557512T	Dec 06,2007	52,208
2008-09	143(1)a	2010200810040895181T	Oct 17, 2010	40,310
2015-2016	147	2023201537004547740T	Feb 05, 2024	6,47,93,340
Total				6,48,85,930

- *Demand against Subsidiary: 2015-16*
- *Court/Authority: Commissioner of Income Tax (CIT)*
- *Case Number: 2023201537004547740T*
- *Current Status: Pending*

○ **Brief Description:**

Discrepancies by Income Tax Department:

- *As per the information flagged in accordance with the risk management strategy formulated by CBDT, it is noted that it was allegedly involved in the following transactions during the Financial Year 2014-15, relevant to A.Y. 2015-16:*
 1. *Deposits of Rs. 490 lakhs*
 2. *Interest of Rs. 1.99 lakhs*
 3. *Mutual Fund Investment of Rs. 135 lakhs*
- *It has been mentioned that our Promotor did not file a return of income for the relevant A.Y. 2015-16, leading to the conclusion that income chargeable to tax has escaped.*

Promotor Response to IT department:

- *Promotor clarified that as per the Income Tax Return Verification Form filed for the Assessment Year 2015-16, his Gross Total Income was Rs. 1.99 lakhs during the Financial Year 2014-15.*
- *During this period, one of his private limited companies transferred approximately Rs. 600 lakhs to him in multiple transactions as a loan. This amount was utilized for short-term investments in various mutual funds amounting to Rs. 135 lakhs and other deposits. The entire loan amount was subsequently returned to private limited company within the same financial year.*
- *Therefore, the transaction of Rs. 600 lakhs should be treated as a loan, which was fully returned and reconciled, resulting in a computed income of Rs. 1.99 lakhs, for which he duly filed his Income Tax Return.*

Impact on Promotor: *The original demand was Rs. 648.85 lakhs.*

b. Matters involving issues of moral turpitude or criminal liability on the part of our Promotor.

There are no issues of moral turpitude or criminal liability on part of our Promotor.

c. Matters involving material violations of Statutory Regulations by our Promotor.

There are no material violations of Statutory Regulations by our Promotor.

d. Economic Offences where proceedings have been initiated against our Promotor.

There are no matters involving economic offences where proceedings have been initiated against our Promotor.

(II) Litigation filed by our Promotor

- a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Promotor:***

There are no pending matters which, if resulting in an adverse outcome, would materially and adversely affect the operations or financial position of our Promotor.

D. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter, nor our Directors have been categorized or identified as wilful defaulters by any bank, financial institution, or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past, nor are there any currently pending against them.

E. MATERIAL DEVELOPMENTS

Except as mentioned in the chapter titled “Management Discussion and Analysis of Financial Position and Results of Operations,” beginning on page 113 of this Draft Letter of Offer, there have been no material developments that have occurred after the last audited balance sheet.

Amounts Owed to MSMEs and Other Creditors

As per the Materiality Policy, creditors to whom our company owes outstanding dues that exceed 5 % of the turnover or ₹500 lakhs, whichever is higher, as per the latest audited financial statements included in this Draft Letter of Offer, are considered 'material'.

Accordingly, as of June 30, 2024, creditors to whom an amount exceeding ₹500 lakhs was owed were considered 'material' creditors. Based on this, as of June 30, 2024, we do not have any material creditors to whom a total amount of ₹500 lakhs was outstanding.

GOVERNMENT AND OTHER APPROVALS

Our Company has obtained the necessary consents, licenses, permissions, and approvals from governmental and regulatory authorities that are material for carrying out our current business activities. Some of these approvals and licenses may expire in the ordinary course of business, and our Company will apply for their renewal as needed.

We are not required to obtain any additional licenses or approvals from any government or regulatory authority for the purposes of this Issue. For further details, please refer to the chapter titled "Objects of the Issue" on page 51 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors at its meeting held on June 10, 2024 has authorised this Issue pursuant to Section 62(1)(c) of the Companies Act, 2013.

Our Board of Directors / Rights Issue Committee has, at its meeting held on [●], determined the Issue Price as ₹[●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Share for every [●] Equity Share held on the Record Date.

The Draft Letter of Offer was approved by the Rights Issue Committee (duly constituted by the Board in their meeting on [●] pursuant to its resolution dated [●].

Our Company has received 'in-principle' approval letter from BSE and NSE vide letter dated [●] and [●] for listing of the Rights Equity Shares to be allotted pursuant to Regulation 28(1) of SEBI Listing Regulations. Our Company will also make applications to BSE Limited and NSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" on page 134.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors and persons in control of the Promoter and the Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter and Directors have been categorized or identified as willful defaulters or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are presently listed on NSE and BSE. We are eligible to undertake the Issue in terms of Chapter III of

SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. NSE Limited is the Designated Stock Exchange for the Issue.

Disclaimer Clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of the issue is less than ₹5000 lakhs.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR

Regulations as explained below:

- i. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable, for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the BSE and NSE;
- ii. The reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE and NSE; and
- iii. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer from our Company and our Directors

Our Company and our Directors accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.calsofts.com

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and its respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centre.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Chennai, Tamil Nadu only.

Disclaimer Clause of BSE and NSE

As required, a copy of the Draft Letter of Offer has been submitted to BSE and NSE. The disclaimer clause as intimated by BSE and NSE to our Company, post scrutiny of the Draft Letter of Offer, has been included in the Letter of Offer prior to the filing with the Stock Exchanges.

Designated Stock Exchange

NSE being the only stock exchange where the Company's shares are listed, the Designated Stock Exchange for the purposes of the Issue is BSE.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar to the Issue. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer / Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek

to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer / Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANYOTHER JURISDICTION AT ANY TIME.

Filing

This Draft Letter of Offer is being filed with the BSE and NSE as per the provisions of the SEBI ICDR Regulations. SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted to SEBI for information and dissemination and will be filed with the Stock Exchanges.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Integrated Registry Management Servicees Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" at page 134. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

Integrated Registry Management Services Private Limited

2nd Floor, Kences Towers, 1, Ramakrishna Street,

North Usman Road T Nagar,

Chennai – 600 017, Tamil Nadu, India

Tel No: 044 – 2814 0801/803

Fax No: 044 – 2814 2479

Email: calsoft@integratedindia.in

Investors Grievance E-mail: yuvraj@integratedindia.in

Website: www.integratedindia.in

Contact Person: Mr. S Yuvraj

SEBI Registration Number: INR000000544

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/post-Issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit /Refund Orders etc.

Mr. Krishnamoorthy Venkatesan is the Company Secretary and Compliance Officer of our Company. His contact details are:

Krishnamoorthy Venkatesan

Workflo, Greeta Towers, Industrial Estate,

Perungudi, OMR Phase 1, Chennai – 600 096

Tamil Nadu, India

Tel No: +91 9841439565

Email: cs@calsoftgroup.com

Website: www.calsofts.com

Consents and Expert Opinion

Consents in writing of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, legal advisor to the Issue and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated July 10, 2024 from our Statutory and Peer Review Auditor, namely M/s K Gopal Rao & Co., Chartered Accountants for inclusion of their Independent Auditors' Report dated May 30, 2024 on our Audited Financial Information for the financial years ended March 31, 2024 and March 31, 2023 and to include their name in this Draft Letter of Offer and as an 'Expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated July 10, 2024 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Circulars SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association of our Company, the provisions of Companies Act, the terms and conditions as may be incorporated in the FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI (ICDR) Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (**‘Issue Materials’**) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.calsofts.com
- b) the Registrar to the Issue at www.integratedindia.in; and
- c) the Stock Exchanges at www.bseindia.com and www.nseindia.com;

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.integratedindia.in by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.calsofts.com)

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit. Resident Eligible Equity Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

The distribution of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense account, as applicable. For further details on the Rights Entitlements and demat suspense account, please see "*Terms of Issue—Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 146.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense account in case of resident Eligible Equity Shareholders holding shares in physical form as at Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- ii) the requisite internet banking.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see “Terms of Issue—Grounds for Technical Rejection” on page 142. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, - please see “Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 138.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- v) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

- a. Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- b. Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialised form only.
- c. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- d. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- f. Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission

of the Application Form in physical form or plain paper Application.

- h. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- i. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

- a. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- c. Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- d. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- e. Do not submit Application Form using third party ASBA account.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or the Stock exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilise the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being California Software Company Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at

Record Date)/DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
5. Number of Equity Shares held as at Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹[●]per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at yuvraj@integratedindia.in; and
17. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “*Restrictions on Purchases and Resales*” on page 163 and shall include the following:

“I/ We hereby make representations, warranties and agreements set forth in “Restrictions on Purchases and Resales” on page 163.

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.integratedindia.in.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in “*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 138.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as at the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock exchanges. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Terms of Issue—Basis of Allotment*” on page 155.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an Application

- a) Please read the Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regards to any of the particulars required to be

given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 138.
- d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock exchanges.
- e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. The investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

- k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m) Investors are required to ensure that the number of Rights Equity Shares applied by them do not exceed the prescribed limits under the applicable law.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- r) Do not submit multiple Applications.
- s) Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.
- t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appear to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, please see “*Terms of Issue—Procedure for Applications by Mutual Funds*” on page 145.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on through ASBA, such Applications shall be treated as multiple applications and are liable to be

rejected, other than multiple applications submitted by any of our Promoters to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure*” on page 49.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% under automatic route).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchanges in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to, inter alia, the following conditions:

- a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchanges in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “*Terms of Issue—Basis of Allotment*” on page 155.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as at the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (www.integratedindia.in) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.calsofts.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialised form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense account to the Stock exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be

accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar www.integratedindia.in. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense account (namely, “[●] RE Suspense Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock exchanges or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

Amount payable per Right Equity Share	Face Value	Premium	Total
On Application	₹[●]	₹[●]	₹[●]
On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time*	₹[●]	₹[●]	₹[●]
Total	₹10.00/-	₹[●]	₹[●]

**Our Company shall have the right to call up the remaining paid-up capital in one or more Call(s), as determined by our Board from time to time;*

Each Rights Equity Share is being offered at a price of ₹ [●]/- per Rights Equity Share (including a premium of ₹[●]/- per Rights Equity Share), for every [●] Rights Equity Share allotted in this Issue.

a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock exchanges through a registered stock-broker in the same manner as the existing Equity Shares.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock exchanges from time to time.

The Rights Entitlements are tradable in dematerialised form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] band indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock exchanges and the SEBI.

b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorising the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalisation of the Basis of Allotment as approved by the Designated Stock exchanges, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our

Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, please see “*The Issue*” on page 43.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights

basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●] the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid-up rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE and NSE through letter bearing reference number [●] dated [●] and [●] dated [●] respectively. Our Company will apply to the Stock exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 538706) and NSE (Scrip code: CALSOFT) under the ISIN: INE526B01014. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter

Our promoter intend to subscribe to his entitlement in this rights issue please refer to chapter titled “Capital Structure” on page 49 for Intention and extent of participation by our Promoter in the Issue.

Rights of Holders of Rights Equity Shares

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- a) The right to receive dividend, if declared;
- b) The right to receive surplus on liquidation;
- c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Draft Letter of Offer; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares shall be tradable only in dematerialised form. The market lot for the Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of the Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation, one Marathi language daily newspaper with wide circulation and one Tamil language local newspaper with wide circulation (Tamil being the regional language of Tamil Nadu, where our Registered Office is located).

This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at (www.integratedindia.in). It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock exchanges. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying

in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to yuvraj@integratedindia.in.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALISED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 155.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

* Our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [●], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.integratedindia.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.integratedindia.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock exchanges, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock exchanges and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board or its Rights Issue Committee in consultation with the Designated Stock exchanges, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock exchanges, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock exchanges, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity

Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 (Four) days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 (Four) days’ period.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- a) Unblocking amounts blocked using ASBA facility.
- b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“**MICR**”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar, to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required

to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

- f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS AT THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialised (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated June 08, 2000 amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated June 26, 2000 amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information

with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialised form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.1 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.5 crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilised out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed until the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- C. Details of all unutilised monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock exchanges where the Equity Shares are to be listed will be taken by our Board within the period prescribed by SEBI.
3. The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications.
7. As of the date of this Draft Letter of Offer, our Company had not issued any outstanding compulsorily convertible debt instruments. Further, except as disclosed in this Draft Letter of Offer, our Company has not issued any outstanding convertible debt instruments.
8. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed “**California Software Company Limited– Rights Issue**” on the envelope and postmarked in India) to the Registrar at the following address:

Integrated Registry Management Services Limited.

2nd Floor, Kences Towers, 1, Ramakrishna Street,
North Usman Road, T. Nagar,
Chennai - 600 017,
Tamil Nadu, India.

Tel: +91 44 2814 0801 / 803

Fax: +91 44 28142479

Email: yuvraj@integratedindia.in

Website: www.integratedindia.in

Contact Person: Yuvaraj

SEBI Registration Number: INR000000544

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.integratedindia.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is [●]
4. The Investors can visit following links for the below-mentioned purposes:
 - a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.integratedindia.in
 - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.integratedindia.in
 - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.integratedindia.in
 - d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: <https://www.integratedindia.in>

This Issue will remain open for a minimum 7 (Seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will not be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs through the FDI Circular 2020 (defined below).

The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as at October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under the FEMA Rules will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND REALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that the Letter of Offer will be filed with the Stock Exchanges and submitted to the SEBI for information and dissemination.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into: (i) the United States, or (ii) any jurisdiction other than India except in accordance with the legal requirements applicable in such jurisdiction.

Receipt of the Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone: (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer and any other Issue Materials should not distribute or send the Letter of Offer or any such documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares. Rights Entitlements may not be transferred or sold to any person outside India except in accordance with applicable law.

The Letter of Offer is, and the other Issue Materials will be, supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

Australia

The Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. The Letter of Offer is not a disclosure document under Chapter 6D of the Corporations Act of Australia and it has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. It is not required to, and does not, contain all the information which would be required in a disclosure document.

Any offer in Australia of the Rights Entitlements and Equity Shares under the Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of the Letter of Offer, and any offers made under the Letter of Offer, you represent to the Issuer that you will not provide the Letter of Offer or communicate any offers made under the Letter of Offer to, or make any applications

or receive any offers for Rights Entitlements or the Equity Shares for, any Australian residents unless they are a “sophisticated investor” or a “professional investor” as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Letter of Offer and the Rights Entitlements and the Rights Equity Shares that are offered pursuant to the Letter of Offer have not been registered, filed, approved or licensed by the Central Bank of Bahrain (“CBB”), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism (“MOICT”) or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in the Letter of Offer, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. The Letter of Offer is only intended for Accredited Investors as defined by the CBB. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Equity Shares and the Letter of Offer will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. All marketing and offering of the Rights Equity Shares shall be made outside the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved the Letter of Offer and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of Rights Equity Shares.

British Virgin Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares has been or will be made to the public in the British Virgin Islands.

China

No action has been taken by our Company which would permit an offering of Rights Entitlements or the Rights Equity Shares or the distribution of the Letter of Offer in the People's Republic of China (“**PRC**”). The Letter of Offer may not be circulated or distributed in the PRC and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Equity Shares or any beneficial interest therein without obtaining all prior PRC’s governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of the Letter of Offer are required to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), an offer to the public of any Rights Entitlement or Rights Equity Shares may not be made in that Relevant State, except if the Rights Entitlement or Rights Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the “**Prospectus Regulation**”):

- a) to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement of a prospectus pursuant to Article 23 of the Prospectus Regulation. The Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this subsection, the expression an “offer to the public” in relation to any Rights Entitlement or Rights Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares.

Hong Kong

The Rights Entitlements and the Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares are, directly or indirectly, being offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the “Qualified Institutional Investor”), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to a small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree is a Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investor (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. Any Qualified Institutional Investor purchasing Rights Equity Share agree that it will not, directly or indirectly, resell, assign,

transfer, or otherwise dispose of the Rights Equity Shares to any Japanese Resident other than to another Qualified Institutional Investor.

Kuwait

The Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Equity Shares in the State of Kuwait. The Rights Entitlements and the Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Rights Entitlements or the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Equity Shares in the State of Kuwait.

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither the Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. The Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Singapore

The Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore (“SFA”). The offer of Rights Entitlements and Rights Equity Shares pursuant to the Rights Entitlements to Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

Eligible Equity Shareholders in Singapore may apply for additional Rights Equity Shares over and above their Rights Entitlements only (i) if they are an “institutional investor” within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) if they are a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any additional Rights Equity Shares over and above their Rights Entitlements are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Rights Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than SGP\$ 200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Rights Entitlements and the Rights Equity Shares are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded

Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Kingdom

No Rights Entitlement or Rights Equity Shares may be offered in the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Rights Entitlement and Rights Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that our Company may make an offer to the public in the United Kingdom of Rights Entitlement and Rights Equity Shares at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to any Rights Entitlement or Rights Equity Shares in means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Except for each person who is not a qualified investor as defined in the UK Prospectus Regulation and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a qualified investor as defined in the UK Prospectus Regulation.

In addition, the Letter of Offer may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (each such person being referred to as a “**Relevant Person**”). If you are not a Relevant Person, you should not take any action on the basis of the Letter of Offer and you should not act or rely on it or any of its contents. Except for each person who is not a Relevant Person and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Relevant Person.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “UAE”) or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. The Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Rights Entitlement and the Rights Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an “Exempt Offer” in accordance

with the Markets Rules (MKT) (the “**Markets Rules**”) adopted by the Dubai Financial Services Authority (the “**DFSA**”); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. The Letter of Offer must not be delivered to, or relied on by, any other person. The DFSA has not approved the Letter of Offer nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this subsection have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Rights Equity Shares offered in the Offer should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Letter of Offer, you should consult an authorised financial adviser.

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. The Rights Entitlements and the Rights Equity Shares are only being offered and sold outside the United States in offshore transactions, as defined in and in compliance with Regulation S. Neither the receipt of the Letter of Offer nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholders who has received the Letter of Offer and its accompanying documents directly from our Company.

Representations, Warranties and Agreements by Purchasers

In addition to the applicable representations, warranties and agreements set forth above, each purchaser, by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted, acknowledged and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
2. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.
3. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
4. The purchaser acquiring the Rights Equity Shares for one or more managed accounts, represents and warrants that the purchaser has been authorized in writing, by each such managed account to acquire the Rights Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference herein to ‘the purchaser’ to include such accounts.
5. The purchaser is eligible to invest in India under applicable law, including the FEMA Rules and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, the purchaser is eligible to invest in and hold the

Rights Equity Shares in accordance with the FDI Policy, read along with the press note 3 of 2020 dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

6. The purchaser is investing in the Rights Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in the Issue, the purchaser is not in violation of any applicable law, including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013, each as amended and/or substituted from time to time.
7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Letter of Offer with the Stock exchanges and its submission with the SEBI for information and dissemination); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements (except in India) or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in the Issue.
9. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of the Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to us and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and the Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (including any research reports) (other than, with respect to our Company and any information contained in the Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
11. Without limiting the generality of the foregoing, the purchaser acknowledges that the Equity Shares are listed on BSE Limited, NSE and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited, NSE (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent financial results, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes the "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

12. The purchaser acknowledges that any information that it has received or will receive relating to or in connection with the Issue, and the Rights Entitlements or the Rights Equity Shares, including the Letter of Offer and the Exchange Information, has been prepared solely by our Company.
13. The purchaser acknowledges that no written or oral information relating to the Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by our Company.
14. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, undertakings and agreements and other information contained in the Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under applicable securities laws.
15. The purchaser is aware that the Rights Entitlements and the Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and that the offer of the Rights Entitlements and the offer and sale of the Rights Equity Shares to the purchaser was made in accordance with Regulation S.
16. The purchaser was outside the United States at the time the offer of the Rights Entitlements and Rights Equity Shares was made to it and the purchaser was outside the United States when the purchaser's buy order for the Rights Equity Shares was originated.
17. The purchaser did not accept the Rights Entitlements or subscribe to the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).
18. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If, in the future, the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares: (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.
19. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for, and authorized to consummate the purchase of, the Rights Equity Shares in compliance with all applicable laws and regulations. If the purchaser is outside India:
 - a. the purchaser, and each account for which it is acting, satisfies: (i) all suitability standards for investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe, and is subscribing, for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence; and
 - b. the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
20. Except for the sale of Rights Equity Shares on the Stock exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
21. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect

to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company for all or part of any such loss or losses it may suffer.

22. Each of the aforementioned representations, warranties, acknowledgements and agreements shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Rights Equity Shares. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties, acknowledgements and agreements set forth above and elsewhere in the Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
23. The purchaser acknowledges that our Company and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to our Company, and are irrevocable.
24. The purchaser agrees that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Bhopal, Madhya Pradesh, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Letter of Offer and other Issue Materials.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available for inspection at the registered office of the Company till the issue closing date on working days and working hours between 11:00 A.M. to 5:00 P.M. and also shall be available on the website of the Company at www.calsofts.com from the date of this Draft Letter of Offer until the Issue Closing Date.

Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to vijayslsl@calsoftgroup.com

1. Material Contracts for the Issue

- (i) Registrar Agreement dated July 16, 2024 entered into amongst our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

2. Material Documents

- (i) Certified true copies of the Certificate of Incorporation, the Memorandum of Association and the Articles of Association of our Company as amended from time to time.
- (ii) Resolution of the Board of Directors dated June 10, 2024 in relation to the approval of this Issue.
- (iii) Resolution passed by our Rights Issue Committee dated [●] finalizing the terms of the Issue including Record Date and the Rights Entitlement ratio
- (iv) Resolution of the Rights Issue Committee dated July 17, 2024 approving and adopting the Draft Letter of Offer.
- (v) Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.
- (vi) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory and Peer Review Auditor, Legal Advisor, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in the Draft Letter of Offer in their respective capacities.
- (vii) Copies of Annual Reports of our Company for Financial years 2023, 2022 and 2021.
- (viii) Audit reports dated May 30, 2024 of the Statutory Auditor, on our Company's Audited Financial Statements, included in this Draft Letter of Offer.
- (ix) Statement of Tax Benefits dated July 10, 2024 from M/s M/s K Gopal Rao & Co., Chartered Accountants Tax expert included in this Draft Letter of Offer.
- (x) Tripartite Agreement dated June 08, 2000 between our Company, NSDL and the Registrar to the Issue.
- (xi) Tripartite Agreement dated June 26, 2000 between our Company, CDSL and the Registrar to the Issue.
- (xii) In principle listing approval dated [●] issued by BSE Limited and National Stock Exchange of India Limited respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

Sd/-

M. Vasudevan
(Managing Director)

Sd/-

V. Manimala
(Executive Director)

Sd/-

M. Vijaykumar
(Executive Director)

Sd/-

Fredrick Ivor Bendle
(Non-Executive Non-Independent Director & Chairperson)

Sd/-

Avn Srimathi
(Independent Director)

Sd/-

R S Chandan
(Independent Director)

Sd/-

B Duraisamy
(Independent Director)

Sd/-

Ashok Godavarthi
(Independent Director)

Sd/-

V. Manimala
(Chief Financial Officer)

Sd/-

K. Venkatesan
(Company Secretary & Compliance Officer)

Place: Chennai
Date: July 17, 2024