



COMPUAGE INFOCOM LTD

COMPUAGE INFOCOM LIMITED

Our Company was originally incorporated on May 26, 1995 in Mumbai as 'Compuage Electronics Limited' as a public limited company under the erstwhile Companies Act, 1956, and were granted the certificate of incorporation by the Registrar of Companies at Mumbai. In the year 2000, pursuant to a scheme of amalgamation, under Section 391(2) and 394 of the erstwhile Companies Act, 1956, approved by Hon'ble High Court of Bombay, our Company ("Transferor Company") was amalgamated into Worldwide Infocom Limited ("Transferee Company"), a public limited company incorporated in Chennai on July 27, 1999 under the erstwhile Companies Act, 1956. Subsequently, the name of the Transferee Company was changed to 'Compuage Infocom Limited' vide a fresh certificate of incorporation dated June 19, 2000. For further details of change in name and registered office of our Company, please refer to "General Information" beginning on page 32 of this Draft Letter of Offer.

Registered Office: D-601/602 & G-601/602, Lotus Corporate Park, Steel Compound, Western Express Highway,
Goregaon (East), Mumbai – 400 063, Maharashtra, India

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Corporate Identity Number: L99999MH1999PLC135914

PROMOTERS OF OUR COMPANY: BHAVESH HARKISHANDAS MEHTA, ATUL HARKISHANDAS MEHTA AND AJAY HARKISHANDAS MEHTA		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF COMPUAGE INFOCOM LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY		
NEITHER OUR COMPANY NOR OUR PROMOTER HAS BEEN DECLARED AS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY		
ISSUE OF UP TO [●] FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹2 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING TO ₹4,950 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●] (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE 112 OF THIS DRAFT LETTER OF OFFER.		
<i># Assuming full subscription.</i>		
GENERAL RISKS		
Investment 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 with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered 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 this Draft Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 16 of this Draft Letter of Offer before making an investment in this Issue.		
ISSUER'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 the Issue, which is material in the context of the Issue, and 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 such information or the expression of any such opinions or intentions misleading in any material respects.		
LISTING		
The existing Equity Shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together, the "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 letters dated [●] and [●] respectively. Our Company will also make applications to the Stock Exchanges to obtain their 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 BSE.		
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE
		
Mark Corporate Advisors Private Limited CIN: U67190MH2008PTC181996 404/1, The Summit Business Bay Sant Janabai Road (Service Lane) Off W. E. Highway, Vile Parle (East) Mumbai - 400 057. Telephone: +91 22 2612 3207/08 E-mail id: info@markcorporateadvisors.com Website: www.markcorporateadvisors.com Contact person: Manish Gaur Investor grievance e-mail id: investorgrievance@markcorporateadvisors.com SEBI registration number: INM000012128		Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg Vikhroli (West) Mumbai - 400 083 Telephone: +91 22 4918 6270 Facsimile: 022 - 4918 6060 E-mail id: compuage.rights@linkintime.co.in Website: www.linkintime.co.in Contact person: Shanti Gopalkrishnan Investor grievance e-mail id: Compuage.rights@linkintime.co.in SEBI registration number: INR000004058
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSES 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 Renouncee(s) on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof 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 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 the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 42 and 60, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
Articles of Association or Articles	The articles of association of our Company, as amended from time to time
Auditors or Statutory Auditors	The current statutory auditors of our Company, namely, M/S. Bhogilal C. Shah and Co., Chartered Accountants
Audited Financial Statements/ Financial Statements	The audited consolidated financial statements of our Company and our Wholly Owned Subsidiary for the year ended March 31, 2022 which comprises the balance sheet as at March 31, 2022, the statement of profit and loss, including other comprehensive income, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Company or our Company or the Issuer	Compuage Infocom Limited incorporated under the erstwhile Companies Act 1956, with its Registered Office at D-601/602 & G-601/602, Lotus Corporate Park, Steel Compound, Western Express Highway, Goregaon (East), Mumbai – 400 063, Maharashtra
Directors	Directors on the Board, as may be appointed from time to time
Equity Shareholders	Holders of Equity Share(s), from time to time
Equity Shares	Equity shares of face value of ₹2 each of our Company
Independent Director	Independent directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, please refer to " Our Management " beginning on page 56 of this Draft Letter of Offer
Key Managerial Personnel	The key managerial personnel of our Company as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer
Memorandum of Association or Memorandum	The Memorandum of Association of our Company, as amended from time to time
Promoters	The promoters of our Company, namely, Bhavesh Harkishandas Mehta, Atul Harkishandas Mehta and Ajay Harkishandas Mehta
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
SAARC	South Asian Association for Regional Cooperation

Term	Description
Registered Office	D-601/602 & G-601/602, Lotus Corporate Park, Steel Compound, Western Express Highway, Goregaon (East), Mumbai – 400 063, Maharashtra
Wholly Owned Subsidiary / WOS	Compuage Infocom (S) Pte. Limited is the wholly owned subsidiary of our Company

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment, Allot or Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the 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, 2013
Allotment Account Bank(s)	Bank(s) 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 Investor who has been or is to be Allotted the Rights Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date / Date of Allotment	Date on which the Allotment is made pursuant to this Issue
Allottee(s)	Person(s) who is Allotted Rights Equity Shares pursuant to Allotment
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch 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 or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Rights Equity Shares
Application Money	Amount payable at the time of Application, i.e., ₹ [●] per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Applicant/ ASBA Investor(s)	Eligible Equity Shareholders proposing 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
Banker(s) to the Company	Indian Bank
Banker(s) to the Issue	the Allotment Account Bank to the Issue.
Banker to the Issue Agreement	Agreement dated [●] amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from

Term	Description
	Applicants/Investors making an application for the Rights Equity Shares.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in " <i>Terms of the Issue</i> " beginning on page 112 of this Draft Letter of Offer
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Draft Letter of Offer or DLOF	This draft letter of offer to be filed with the Stock Exchanges
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, [●] and the Renouncee(s)
Issue Agreement	Issue agreement dated February 22, 2022 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
ISIN	International securities identification number i.e. INE070C01037
Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹ 2 each of our Company for cash at a price of ₹[●] per Rights Equity Share not exceeding ₹4,950 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Equity Share
Issue Proceeds or Gross Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹4,950.00 Lakhs [#] [#] Assuming full subscription
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI
Lead Manager	Lead Manager to the Issue, namely Mark Corporate Advisors Private Limited
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
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 Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to " <i>Objects of the Issue</i> " beginning on page 38 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

Term	Description
Off Market Renunciation	The renunciation 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 and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation 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 and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [•]
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 Eligible Equity Shareholders eligible to apply for Rights Equity Shares, being [•]
Registrar to the Issue / Registrar to the Company/Registrar	Link Intime India Pvt. Ltd, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra
Registrar Agreement	Agreement dated February 22, 2022 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
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
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 Renouncee on or prior to the Issue Closing Date
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
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 [•] Equity Shares for every [•] Equity Shares held by an Eligible Equity Shareholder.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders..
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 of our Company are presently listed, being BSE and 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 finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorized 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 Day(s)	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 Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI

Industry Related Terms

Term	Description
AMC	Annual Maintenance Contract
BPO	Business Process Outsourcing
CD	Compact Disk
CD-Rom	Compact Disk Read Only Memory
CD-Writer	Compact Disk Writer
CPU	Central Processing Unit
EDI Electronic Data Interface	Electronic Data Interface
ERP Enterprise Resource Planning	ERP Enterprise Resource Planning
IDC	International Data Corporation
IT	Information Technology
ITES	Information Technology Enabled Services
NASSCOM	National Association of Software and Services Companies
NASSCOM and IDC Report	NASSCOM and IDC report titled "Technology-Sector-in-India-Building-Capabilities-to-Win-in-the-New-Normal" dated February 16, 2022
PC	Personal Computer
Q1,Q2,Q3,Q4	The first quarter of the financial year
Q2	The second quarter of the financial year
Q3	The third quarter of the financial year
Q4	The fourth quarter of the financial year
SAP	Systems, Applications & Products in Data Processing
VPN	Virtual Private Network

Conventional and General Terms/Abbreviations

Term	Description
₹, Rs., Rupees or INR	Indian Rupees
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AY	Assessment year
BSE	BSE Limited
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository participant's identification
DTAA	Double Taxation Avoidance Agreement
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share

Term	Description
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal Year or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI or Government	Government of India
GST	Goods and Service Tax
HFC	Housing finance companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
Income Tax Act	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, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NPA(s)	Non-performing assets
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 Account	Non-resident ordinary account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB 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

Term	Description
	FEMA
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Maharashtra at Mumbai
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Stock Exchange	BSE and NSE
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turnaround time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
U.S.\$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified institutional buyer as defined in Rule 144A
USA, U.S. or United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act or Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter 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 this Draft Letter of Offer, the Abridged Letter of Offer or Application Form 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 this Draft Letter of Offer/ Abridged Letter of Offer, Application Form and Rights Entitlement Letter through email and courier only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. This Draft Letter of Offer will be provided, through email and courier, 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 this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchanges

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 this Draft Letter of Offer, the Abridged Letter of Offer 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 this Draft Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer and the Abridged Letter of Offer 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 this Draft Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer or the Abridged Letter of Offer or Application Form 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 this Draft Letter of Offer, the Abridged Letter of Offer or the Application Form.

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, the Lead Manager 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, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter 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 and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter 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 ISSUE OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF RIGHTS EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS 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, this Draft Letter of Offer/ Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters 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 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 this Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an address in India. 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 the 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.

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

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are 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 the applicable laws or regulations.

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

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 ("IST"). 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 otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please refer to "**Financial Information**" beginning on page 60 of this Draft Letter of Offer. Our Company's financial year commences on April 1 and ends on March 31 of the year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Audited Financial Statements of our Company for the Financial Year ended March 2020, March 2021 and March 2022 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised) 2019, issued by the ICAI. Our Company publishes its Financial Statements in Rupees.

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. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has also not attempted to explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our 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, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, please refer to "**Financial Information**" beginning on page 60 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer

rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US\$" or "\$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" on pages 16, 50 and 98 and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our 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 the US Dollar:

				(in ₹)
Name of the Currency	As of March 31, 2022	As of March 31, 2021	As of March 31, 2020	
1 USD	75.80	73.50	75.39	

(Source: RBI reference rate)

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 16 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

In this Draft Letter of Offer, we have included statements, which contain words or phrases such as "will", "may", "aim", "is likely to result", "believe", "expect", "continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "pursue" and similar expressions or variations of such expressions, that are "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 include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business 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.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Failure to maintain relationships with manufacturer or resellers or conditions effecting their business;
- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Any adverse development that may affect our operations;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- General, political, economic, social and business conditions in India and other global markets;
- Dependence on a number of key management personnel and senior management personnel and our ability to attract and retain skilled and qualified personnel.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Position and Results of Operations**" beginning on pages 16, 50 and 98, respectively of this Draft Letter of Offer. 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.

We cannot assure investors that the expectations reflected in these forward looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward looking statements and not to regard such statements as a guarantee of future performance.

Forward looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the 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. Neither our Company, our Directors, our Promoters, the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof 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, 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 Exchange.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures 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 Defaults**" beginning on pages 16, 38, 50 and 102, respectively of this Draft Letter of Offer.

1. Primary Business of our Company

Our Company is into distribution of IT hardware, software & security products distribution which is broadly categorized into IT consumers & enterprise segment.

For further information, please refer to "**Our Business**" beginning on page 50 of this Draft Letter of Offer.

2. Our Promoter

The Promoters of our Company are Mr. Bhavesh Harkishandas Mehta, Mr. Atul Harkishandas Mehta and Mr. Ajay Harkishandas Mehta.

3. Subscription to the Issue by our Promoter and Promoter Group

We have been informed by our Promoter and Promoter Group that they may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce a part of their right entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

4. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

		(₹ in lakhs)
Particulars	Amount	
Gross Proceeds from the Issue#		4,950.00*
Less: Issue related expenses		100.00
Net Proceeds of the Issue		4,850.00

assuming full subscription and allotment

*The issue size will not exceed ₹4,950 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price, the same will be adjusted against General Corporate Purpose.

5. Outstanding Litigations:

A summary of outstanding litigation proceedings involving our Company and our Subsidiary as on the date of this Draft Letter of Offer is provided below:

Nature of Cases	Number of outstanding cases	Amount Involved (in lakhs)
Litigation involving our Company		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	66	2,110.86
Material civil litigation against Company	Nil	Nil
Material civil litigation by our Company	2	843.74

Nature of Cases	Number of outstanding cases	Amount Involved (in lakhs)
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Not ascertainable*	1,209.33
<i>Litigation involving our Subsidiary</i>		
Criminal proceedings against our Subsidiary	Nil	Nil
Criminal proceedings by our Subsidiary	Nil	Nil
Material civil litigation against our Subsidiary	Nil	Nil
Material civil litigation by our Subsidiary	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil

*Includes outstanding direct and indirect tax for prior years

For details, please refer to chapter titled "***Outstanding Litigations and Material Developments***" on page 102 of this Draft Letter of Offer.

6. **Risk Factors:**

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please refer to "***Risk Factors***" beginning on page 16 of this Draft Letter of Offer.

7. **Contingent Liabilities**

Please refer to the chapters titled "***Financial Information***" beginning on page 60 of the Financial Information section in this Draft Letter of Offer.

8. **Related Party Transactions**

Please refer to "***Financial Information***" beginning on page 60 of the Financial Information in this Draft Letter of Offer.

9. **Issue of equity shares made in last one year for consideration other than cash**

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

10. **Split or consolidation of Equity Shares in the last one year**

Our Company has not carried any split or consolidation of Equity Shares in last one year.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the "**Financial Statements**" on page 60 of this Draft Letter of Offer, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "**Our Business**", "**Industry Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 50, 45 and 98, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. 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. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Draft Letter of Offer also contains forward-looking statements that involve risks 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 elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please refer to "**Forward Looking Statements**" beginning on page 12 of this Draft Letter of Offer.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements included in this Draft Letter of Offer. For further information, please refer to "**Financial Statements**" beginning on page 60 of this Draft Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Compugate Infocom Limited.

INTERNAL RISK FACTORS

1. ***We are dependent on the resellers to sell our product offering that we sell and the loss of, or a material change in, our business relationship with major resellers could affect our business, results of operation and financial condition***

Our business is dependent on our relationships with resellers. We have a strong network of resellers which ensure distribution of our products portfolio across the country. However, the loss or deterioration of our relationships with our key resellers or our failure to establish relationship with new resellers could affect our business, results of operation and financial condition. In addition, resellers may face liquidity or solvency issues which in turn could negatively affect our business, results of operation and financial condition.

The loss of our key resellers, due to our inability to renew our contracts with them would result in a decline in our revenues. The renewal or expansion of our relationships with resellers may decrease or vary as a result of a number of factors, including our customers' satisfaction or dissatisfaction with our services, reliability of our services, our pricing, the effects of general economic conditions, competitive offerings or alternatives, or reductions in our customers' spending levels.

2. ***We are dependent on original equipment manufacturer for supply of our products and do not have any manufacturing facilities of our own.***

We procure our products from various original equipment manufacturer. We are therefore dependent on such manufacturer for supply of adequate inventory of our products. The business and production of the manufacturer are subject to various operating risks, including some which are beyond their control, which may include breakdowns and failure of equipment, industrial accidents, employee unrest, pandemic, natural disasters etc. Any problems faced by our supplier resulting in delays or non-adherence to quality requirements may impact our ability to meet our requirements in time. While we endeavour to have back-up arrangements in place to ensure adequate capacity and sourcing, we cannot assure you that we will always be able to arrange for alternate sources of our products, at prices acceptable to us, or at all, or that we will be able to pass on any increase in cost to our customers.

The term of few of our supplier agreements have expired and we have initiated the process of renewing such agreements. Our inability to renew or extend the term of such agreement may jeopardize our inventory and business operations. This may have an adverse impact on our business, operations and revenues.

3. ***A majority of premises from which we operate our business are not owned by us. In the event of termination or non-renewal of the leases, our business may be affected.***

All of our warehouses are located at leased or licensed premises in line with our 'asset-light' business model. Majority of our lease agreements for our warehouses have a tenure of three to five years. Some of these lease or license agreements can be terminated, and any such termination could result in any of these warehouses being shifted. Further, the terms of the lease or license arrangements we enter into for our warehouses may limit our flexibility in operating our warehouses.

The lease periods for few of our properties have expired and we have initiated the process of renewing such agreements. Our inability to renew the lease of the property may jeopardize our operations. There can be no assurance that we will, in the future, be able to retain and renew the leases or licenses for the existing locations on same or similar terms, or will be able to find alternate locations for our facilities or offices on similar terms favourable to us, or at all. Moreover, periodic renewals of short-term leases may increase our costs as they are subject to rent renegotiations. If we are unable to continue to use our warehouses and offices during the period of the relevant lease or license, be able to extend such lease or license arrangements on their expiry on commercially acceptable terms, or are unable to find suitable premises for relocation of existing facilities and offices, in time or at all, we may suffer a disruption in our operations which could materially and adversely affect our business, financial condition, results of operations and cash flows.

4. ***Our diverse and complex global operations are subjected to many risk and uncertainties.***

We have our presence in SAARC region and as result of which we are subject to legal and regulatory requirements in the jurisdictions we operate. Our operations are subject to risks that are specific to each such SAARC Country in which we operate, as well as risks associated with carrying out business operations on an international scale, including: coordinating and managing global operations; social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action; different economic and business conditions; foreign currency exchange rate fluctuations exposure to different legal standards and enforcement mechanisms; compliance with increasingly strict environmental regulations; and other regulatory changes affecting our business and our customers' industries in general. Failure to comply with applicable laws or regulations can lead to civil, administrative or criminal penalties, including fines or the revocation of permits and licenses that may be necessary for our business activities.

5. ***Our indebtedness and the conditions and restrictions imposed by our financing agreements and any noncompliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.***

As of March 31, 2022, our total borrowings are ₹55,379.21 Lakhs. Our ability to pay interest and repay

the principal for our indebtedness is dependent upon our ability to manage our business operations and generate sufficient cash flows to service such debt. Our outstanding indebtedness and any additional indebtedness we incur may have significant consequences, including, without limitation: requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditures, acquisitions, and strategic investments; reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions; and limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions, share repurchases, or other general corporate and other purposes.

Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institutions extending such loans and the conditions negotiated under each financing agreement. A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt.

6. ***Our Company has reported certain negative cash flows from its operating activities. Sustained negative cash flow could impact our growth and business in the future.***

Our Company had reported consolidated negative cash flow amounting to ₹6,010.39 Lakhs from its operating activities in the financial year 2021. Cash flow of a company is a key indicator to show 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. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

7. ***Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations***

Our working capital requirements and growth strategy thus require continued access to significant amounts of capital on acceptable terms. We cannot assure you that market conditions and other factors will permit future financings on terms acceptable to us. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, etc. Our attempts to consummate future financings may not be successful or be on terms favourable to us. In addition, our ability to raise funds, either through equity or debt, is limited by certain restrictions imposed under Indian law.

8. ***The COVID-19 pandemic has had, and may in the future continue to have, and any similar pandemic situations that may arise in the future, may have a material adverse impact on our business, results of operations, financial condition and cash flows.***

The global spread and unprecedented impact of the ongoing COVID-19 pandemic continues to create significant volatility, uncertainty and economic disruption. The pandemic has led governments and other authorities around the world to implement significant measures intended to control the spread of the virus, including lockdowns, shelter-in-place orders, social distancing measures, business closures or restrictions on operations, quarantines, travel bans and restrictions and multi-step policies with the goal of re-opening these markets. These responsive measures have severely disrupted economic and commercial activity tied to the production and sale of goods, which have impacted supply chains and routes, and, as a result, supply chain companies such as ours have experienced uncertainty and volatility.

The scope, duration, and frequency of the measures implemented and the adverse effects of COVID-19 remain uncertain and could be severe. If COVID-19 infection rates resurge and the pandemic intensifies and expands geographically, its negative impacts on our business, operating expenses, gross profit and gross margin could be more prolonged and may become more severe.

9. ***We are exposed to foreign currency exchange rate fluctuations and our results of operations may be impacted by such fluctuations in the future.***

Although our reporting currency is Indian Rupees, our operation in SAARC region is undertaken in US Dollar. Any significant depreciation in the value of the Indian Rupee against such currencies in the future, may adversely affect our results of operations and operating margins.

10. ***Our results of operations, financial conditions, cash flows and prospects may be adversely affected by any delay or default in payment from our resellers or default in the credit period by us to such resellers***

Our trading terms with some of our resellers are on credit. We generally allow a credit period of 7 days to 45 days. Trade receivables are generally settled in accordance with the terms of the respective contracts. Credit risk for trade receivables arises when our customers default on their contractual obligations resulting in financial losses to us.

To minimize the credit risk, our management has established monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. However, we cannot assure you that we are or will be able to accurately assess the creditworthiness of each of our resellers before entering into agreements or extending credit terms, neither can we guarantee that each of these resellers will be able to strictly follow and enforce the payment schedules provided in the agreements. Any inability of our resellers to pay us in a timely manner may adversely affect our liquidity and cash flows, which in turn has a material adverse effect on our business operations and financial condition.

We cannot assure you that we will not experience any significant cash flow mismatches in the future. If we fail to properly manage the possible cash flow mismatches, our financial condition, results of operations and cash flows could be materially and adversely affected.

11. ***Improper handling of goods at our warehouses and employee misconduct or errors could damage our reputation and have an adverse effect on our business, results of operations, financial condition and cash flows***

Despite of our inventory management team and automated processes, our warehouses continue to rely on our labour force to undertake various activities, enabling us to provide supply chain services to resellers. Due to our dependence on our labour force to carry out various functions in our supply chain solutions, we remain susceptible to risks associated with the improper handling of goods at our facilities. Any shortcoming due to misconduct involving breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, fraudulent activities, theft, negligence, human error, or otherwise by our labour force could damage our reputation, adversely affecting our business, financial condition, results of operations and cash flows.

12. ***Our Company has not registered the logo that we use. Our ability to use the logo may be impaired if the same is not registered under our name.***

The logo of our Company which we use is presently not registered. We have made applications for the registration of certain trademark bearing application numbers 5403911, 5403912, 5403913 and 5403914 dated April 9, 2022. The registration for the said trademark in our name is important to retain our brand equity. If we do not get to register our trademark, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such trademark. We are unable to assure that the future viability or value of any of our intellectual. Our Company's business may be affected due to our inability to protect our existing and future intellectual property rights.

13. ***We operate in highly competitive markets and our business, results of operation and financial condition will depend on how effectively we compete***

The IT industry is rapidly evolving and is highly competitive. Some of our competitors may have significantly greater financial resources and market reach as compared to us. While we have historically been able to conduct our distribution business at competitive margins and on a cost effective basis, there

can be no assurance that we will be able to do so in the future. We believe that our ability to compete also depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees, the price at which our competitors offer comparable services.

14. ***Our contingent liabilities could adversely affect our financial condition and business operations***

We have disclosed certain contingent liabilities in our Financial Statements. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations. If any of these contingent liabilities materialise, our profitability may be adversely affected. For further details in relation to our contingent liabilities, please refer to the section entitled "**Financial Statements**" on page 60 of the Draft Letter of Offer.

15. ***We require certain approvals or licenses in the ordinary course of business, and the failure to obtain, renew, maintain them in a timely manner or at all may adversely affect our business and operations***

We require certain approvals, licences, registrations and permissions for operating our businesses, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. Failure to renew, maintain or obtain required permits or approvals at the requisite time may result in interruption of our operations and may have an adverse impact on our business, financial condition and results of operations. For instance, some of the registration certificate for service centres or warehouses under the Shop and Establishment Act of the relevant state are not obtained yet or are in the renewal stage. Although we are in process of renewing/obtaining the approval but we cannot assure that we will receive the same and such non-compliance will not pose any adverse effect.

Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us may impede our operations. We may need to apply for further approvals in the future including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated or at all.

16. ***Our promoter will continue to retain significant shareholding in our Company after the issue, which will enable them to exercise significant control over us***

After the completion of the Issue, our Promoter, will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and affect the outcome of shareholder voting. As a result, our Promoter may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders.

17. ***The management of our Company is dependent upon our senior management, directors and key personnel***

We operate in an industry where the quality of our people is a critical asset. We benefit significantly from the vision, strategic guidance, experience and skills of several key members of our management team, which includes our Promoters, supported by the skills, efforts, expertise, continued performance and motivation of our Key Management Personnel, and other personnel. If any of our Promoters, Key Management Personnel cease to be associated with our Company and we fail to recruit suitable replacements in a timely manner, our ability to manage our growth and our business, results of operations and prospects may be adversely affected.

18. ***There are outstanding legal proceedings involving our Company.***

There are outstanding legal proceedings involving our Company. These proceedings are pending at different levels of adjudication before various courts.

A summary of outstanding litigation proceedings involving our Company and our Subsidiary as on the date of this Draft Letter of Offer is provided below:

Nature of Cases	Number of outstanding cases	Amount Involved (in lakhs)
<i>Litigation involving our Company</i>		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	66	2,110.86
Material civil litigation against Company	Nil	Nil
Material civil litigation by our Company	2	843.74
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Not ascertainable*	1209.33
<i>Litigation involving our Subsidiary</i>		
Criminal proceedings against our Subsidiary	Nil	Nil
Criminal proceedings by our Subsidiary	Nil	Nil
Material civil litigation against our Subsidiary	Nil	Nil
Material civil litigation by our Subsidiary	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. Should any new developments arise, including a change in Indian laws or rulings against us by the appellate courts or tribunals, we may face losses and we may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings, adverse to our interests, may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Failure to successfully defend these or other claims, or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure you that similar proceedings will not be initiated in the future. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our reputation, brand, business, results of operations and financial condition. For further details, please refer to the section "***Outstanding Litigation and Defaults***" beginning on page 102 of this Draft Letter of Offer.

19. ***We may be unable to enforce our rights under some of our agreements on account of inadequate stamping and not registering the agreements or other reasons.***

We regularly enter into agreements with third parties, in relation to our business, leasing of immovable properties among others. The terms, tenure and the nature of the agreements vary, depending on, amongst other things, the subject matter of the agreement and the third parties involved. Although, we duly execute our documents, some of the documents executed by us may be inadequately stamped or not registered or may not otherwise be enforceable. Such inadequately stamped or unregistered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all.

20. ***Our Promoters and certain of our Directors have interests in our Company other than their normal remuneration or benefits and reimbursement of expenses.***

Our Promoters and certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. Our Promoters and Directors holding Equity Shares may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders.

21. ***We have in the past entered into related party transactions and may continue to do so in the future.***

Our Company has entered into certain transactions with our related parties including our Promoters, the Promoter Group, our Directors and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

22. ***Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our cash flows, business results of operations and financial condition.***

We are required to comply with various laws and regulations relating to the environment, health and safety. Our project operations are subject to local environmental laws and regulations including the Environment (Protection) Act, 1986, Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974. We may incur substantial costs in complying with environmental laws and regulations. We cannot assure you that compliance with such laws and regulations will not result in delays in completion of construction work causing a material increase in our costs or otherwise have an adverse effect on our financial condition, cash flows and results of operations.

The scope and extent of any new environmental, health and safety regulations, including their effect on our operations and cash flows, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by Government authorities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental, health and safety requirements, we may also be subject to administrative, civil and criminal proceedings by Government authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as orders that could limit or halt our operations. We cannot assure you that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could adversely affect our cash flows, business, prospects, financial condition and results of operations.

23. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.***

Our Company proposes to utilize the Net Proceeds for repayment of working capital facility 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. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business.

24. ***The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".***

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation 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 external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue.

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

25. ***This Draft Letter of Offer contains information from an industry report published by NASSCOM and IDC. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have sourced information related to our industry from the NASSCOM and IDC Report titled "Technology-Sector-in-India-Building-Capabilities-to-Win-in-the-New-Normal". We have not appointed NASSCOM and IDC for purposes of commissioning the report for the Issue and NASSCOM and IDC are not in any way related to our Company, its Directors, its Promoters or the Lead Manager. The report uses certain methodologies for market sizing and forecasting for the IT distribution industry and is subject to certain disclaimers set out in "**Presentation of Financial and Other Information**" beginning on page 10 of this Draft Letter of Offer. Neither we nor the Lead Manager their associates or affiliates, nor any other person connected with the Issue has verified the information provided by NASSCOM and IDC and other industry sources.

We have sought and received consent from NASSCOM, the quoted website source, on February 16, 2022 for the disclosures which need to be made in the chapter titled "**Industry Overview**" beginning on page 45 of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the NASSCOM and IDC Report and other relevant industry related data available online. We have not independently verified such third party-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 disclosure in this Draft Letter of Offer in this context.

ISSUE SPECIFIC RISK

26. ***Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch this Draft Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "**Offering Materials**") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

27. ***SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021 and October 1, 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 the 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, April 22, 2021, and October 1, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, please refer to "**Terms of the Issue**" beginning on page 112 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 (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") 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 Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; 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.

28. ***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.***

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat 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 not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

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

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. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, please refer to "***Terms of the Issue***" beginning on page 112 of this Draft Letter of Offer.

30. ***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 the 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 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. The sale 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.

31. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

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.

32. ***You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe 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 for such period.

33. ***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 Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which 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 that point of time.

34. ***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 resolution, 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 us would be reduced.

35. ***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 Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates

during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, 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.

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

37. ***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. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

External Risk Factor

38. ***Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.***

Summary statements of assets and liabilities as at March 31, 2022 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2022 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. 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 Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

39. ***Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.***

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of

India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

40. ***A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

41. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("GAAR") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made

- applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

42. ***Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-

term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

43. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GOI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

44. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

45. ***Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

46. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes,

fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

47. ***We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

SECTION III - INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on February 16, 2022, pursuant to Section 62(1)(a) of the Companies Act. The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors at its meeting held on [●]. The following is a summary of this Issue, and it should be read in conjunction with, and is qualified entirely by, the information set out in the chapter titled "*Terms of the Issue*" beginning on page 112 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Up to [●] Equity Shares
Rights Entitlement	[●] Equity Share for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	[●]
Record Date	[●]
Face value per Equity Shares	₹2
Issue Price per Rights Equity Shares	₹[●] per Equity Share (including a premium of ₹[●] per Equity Share)
Issue Size	Issue not exceeding ₹4,950.00* lakhs *Assuming full subscription, to be adjusted as per the Rights Entitlement ratio
Dividend	Such dividend as may be declared by our Board and our shareholders, as per applicable laws
Equity Shares issued, subscribed and paid up prior to the Issue	6,49,75,806 Equity Shares. For details, please refer to " <i>Capital Structure</i> " beginning on page 36 of this Draft Letter of Offer
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] [#] Equity Shares [#] Assuming full subscription
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Money payable at the time of Application	[●]
Scrip Details	ISIN: INE070C01037 BSE: 532456 NSE: COMPINFO
ISIN for Rights Entitlements	[●]
Use of Issue Proceeds	For details, please refer to " <i>Objects of the Issue</i> " beginning on page 38 of this Draft Letter of Offer.
Terms of the Issue	For details, please refer to " <i>Terms of the Issue</i> " beginning on page 112 of this Draft Letter of Offer.
Terms of Payment	
Due Date	Amount payable per Rights Equity Shares (including premium)
On the Issue application (i.e. along with the Application Form)	[●]

GENERAL INFORMATION

Our Company was originally incorporated on May 26, 1995 in Mumbai as 'Compuage Electronics Limited' as a public limited company under the erstwhile Companies Act, 1956, and were granted the certificate of incorporation by the Registrar of Companies at Mumbai. In the year 2000, pursuant to a scheme of amalgamation, under Section 391(2) and 394 of the erstwhile Companies Act, 1956, approved by Hon'ble High Court of Bombay, our Company ("Transferor Company") was amalgamated with Worldwide Infocom Limited ("Transferee Company"), a public limited company incorporated in Chennai on July 27, 1999 under the erstwhile Companies Act, 1956.

Subsequently, the name of the Transferee Company was changed to 'Compuage Infocom Limited' vide a fresh certificate of incorporation dated June 19, 2000. Thereafter, the registered office of our Company was shifted from the state of Tamil Nadu to the state of Maharashtra, pursuant to the order of the Company Law Board dated on April 26, 2002 (confirming transfer of the registered office from one state to another), issued by the Assistant Registrar of Companies, Tamil Nadu, Chennai.

Registered Office, CIN and Registration Number of our Company

D-601/602 & G-601/602
Lotus Corporate Park
Steel Compound
Western Express Highway
Goregaon (East), Mumbai - 400 063
Telephone: +91 22 6711 4444
Website: www.compuageindia.com
Corporate Identity Number: L99999MH1999PLC135914
Registration Number: 135914
E-mail: investors.relations@compuageindia.com

Address of the RoC

Our Company is registered with the RoC, Mumbai, which is situated at the following address:

Registrar of Companies
100, Everest, Marine Drive
Mumbai – 400 002
Telephone: +91 22 2281 2627

Company Secretary and Compliance Officer

Hasti Pala
D-601/602 & G-601/602
Lotus Corporate Park
Steel Compound
Western Express Highway
Goregaon (East), Mumbai - 400 063
Telephone: +91 22 6711 4444
E-mail: hasti.pala@compuageindia.com

Statutory Auditors of the Issuer:

Bhogilal C. Shah & Co.
2A, 1st floor, Shree Pant Bhuvan,
Sandhurst Bridge,
Mumbai 400007
Telephone Number: +91 22 2361 0939
E-mail: casurils@gmail.com
ICAI Firm Registration Number: 101424W

Peer Review Number: 014095

Lead Manager to the Issue:

Mark Corporate Advisors Private Limited

404/1, The Summit Business Bay
Off. W. E. Highway, 400 057
Sant Janabai Road, Vile Parle East
Mumbai 400057

Telephone: +91 22 2612 3207/08

E-mail id: info@markcorporateadvisors.com

Investor grievance e-mail id: investorgrievance@markcorporateadvisors.com

Contact Person: Manish Gaur

Website: www.markcorporateadvisors.com

SEBI registration number: INM000012128

Registrar to the Issue

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg
Vikhroli (West), Mumbai- 400083

Telephone: +91 (22) 4918 6270

Facsimile: 022 - 4918 6060

E-mail id: compuage.rights@linkintime.co.in

Investor grievance e-mail id: compuage.rights@linkintime.co.in

Contact Person: Shanti Gopalkrishnan

Website: www.linkintime.co.in

SEBI registration number: INR000004058

Legal Advisor to the Issue

Rajani Associates, Solicitors

204-207, Krishna Chambers
59, New Marine Lines
Mumbai 400020

Telephone Number: +91 22 4096 1000

E-mail id: sangeeta@rajaniassociates.net

Contact Person: Sangeeta Lakhi

Banker(s) to the Company

Indian Bank

210, Mittal Tower,
“B” Wing, Nariman Point,
Mumbai – 400 021

Telephone Number: +91 22 4017 8012

E-mail id: lcbmumbai@indiabank.co.in

Contact person: Sanjay Agrawal

Website: www.indianbank.in

Banker(s) to the Issue

[•]

Telephone Number: [•]

E-mail id: [•]

Contact person: [•]

Website: [•]

Experts

Our Company has received a written consent dated April 27, 2022 from our Statutory Auditors, Bhogilal C. Shah & Co., to include their name in this Draft Letter of Offer as an "*expert*", as defined under applicable laws, to the extent and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Draft Letter of Offer. Such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs or the ASBA Process is provided on the SEBI website at <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, please refer to the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On allotment of the shares, the amount in the ASBA will be unblocked and the amount lying therein will be debited only to the extent required to pay for the Equity Shares so allotted under the Rights Issue.

Statement of Inter-se Allocation of Responsibilities

Mark Corporate Advisors Private Limited, being the sole Lead Manager to the Issue, will be responsible for co-ordination and other activities in relation to the Issue and hence, a statement of *inter-se* allocation of responsibilities is not required.

Credit Rating

This is an issue of Equity Shares; credit rating is, therefore, not required.

Debenture Trustees

This is an issue of Equity Shares; the appointment of Debenture trustees is, therefore, not required.

Monitoring Agency

The Net Proceeds of the Issue will be less than ₹10,000 lakhs. The SEBI ICDR Regulations does not mandate appointment of a monitoring agency for such issues. Our Company will, therefore, not appoint a monitoring agency.

Underwriting Agreement

This Issue will not be underwritten and our Company has, therefore, not entered into an underwriting arrangement.

Issue Schedule

Last Date for credit of Rights Entitlements	[•]
Issue Opening Date	[•]
Last date for On Market Renunciation of Rights Entitlements [#]	[•]
Issue Closing Date*	[•]
Finalization 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 Renouncees on or prior to the Issue Closing Date.

* Our Board, or a duly authorized 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 on the Record Date have not provided details of their demat accounts to our Company or to the Registrar, they must provide their demat account details to our Company or the Registrar no later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable credit of the Rights Entitlements to their respective demat accounts by transfer from the demat suspense escrow account, which will happen one day prior to the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. It is encouraged that the Application Forms are submitted well in advance before the Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to "*Terms of the Issue - Procedure for Application*" beginning on page 120 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder may be accessed by such respective Eligible Equity Shareholder on the website of the Registrar at [●] after keying in their respective details along with other security control measures implemented thereat. For further details, please refer to "*Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" beginning on page 113 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 the 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 the market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who receive credit of the Rights Entitlements must make an Application to subscribe to the Equity Shares offered under the Rights Issue.

Minimum Subscription

We have been informed by our Promoter and Promoter Group that they may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce a part of their right entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Requirement of minimum subscription of 90% of the Issue is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue

Appraising Entity

The objects of this Issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

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 for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE and NSE 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.

CAPITAL STRUCTURE

The share capital of our Company, as at the date of this Draft Letter of Offer, and 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:

<i>(in ₹ lakhs, except shares data)</i>		
	Aggregate value at Face Value	Aggregate value at Issue Price
A AUTHORISED SHARE CAPITAL		
9,62,70,000 Equity Shares of ₹2 each	1,925.4	-
46,65,600 Preference Shares of ₹0.1 each	4.68	-
1,10,00,000 Preference Shares of ₹10 each	1,100.00	-
B ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
6,49,75,806 Equity Shares of ₹2 each	1,299.52	-
C PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER⁽¹⁾		
Up to [●] Equity Shares, each at a premium of ₹[●] per Equity Share, i.e., at a price of ₹[●] per Equity Share	[●]	[●]
D ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
[●] Equity Shares of ₹[●] each, fully paid up#	[●]	[●]
E SECURITIES PREMIUM ACCOUNT		
Before the Issue		3,668.80
After the Issue		[●]

Assuming full subscription for, and Allotment of, the Equity Shares

(1) The Issue has been authorised by our Board pursuant to a resolution dated February 16, 2022. The terms of the Issue, including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Board at their meeting held on [●].

Notes to the Capital Structure

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

Our Promoter and Promoter Group may not fully subscribe to their respective entitlements, arising out of the proposed Rights Issue and may renounce a part of their rights entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course. Therefore, the criteria required for exemption from minimum subscription of 90% of the Issue set out in the second paragraph to the proviso to Regulation 86(1) of the SEBI ICDR Regulations is not available to our Company. Our Company must, therefore, ensure a minimum subscription of 90% of the Issue in this proposed Rights Issue. In the event of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants / ASBA account unblocked forthwith, but not later than four days from the closure of the Rights Issue, in compliance with Pursuant to regulation 86(2) of the SEBI ICDR Regulations.

2. The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula set out in Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹[●] per Equity Share.

3. Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:

- (i) The shareholding pattern of our Company, as on March 31, 2022, may be accessed on the website of the BSE [here](#) and the NSE [here](#).
- (ii) A statement as on March 31, 2022, showing holding of Equity Shares of persons belonging to the category of "Promoter and Promoter Group", including details of lock-in, pledge and encumbrance thereon, may be accessed on the website of the BSE [here](#) and the NSE [here](#).
- (iii) A statement as on March 31, 2022, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the BSE [here](#) and the NSE

[here](#).

4. **Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:**

The details of shares locked-in, pledged and encumbered by the Promoters and Promoter Group as on March 31, 2022 may be accessed on the website of the BSE [here](#) and NSE [here](#).

5. **Details of specified securities acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of the Draft Letter of Offer**

None of our Promoter or Promoter Group have acquired any securities in the last one year, immediately preceding the date of filing of this Draft Letter of Offer.

6. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

7. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

8. At any given time, there shall be only one denomination of the Equity Shares of the Company.

9. 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 allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "***Terms of the Issue***" on page 112.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from this Issue towards the following objects:

1. To augment the Working Capital requirements of the Company
2. General Corporate Purpose

The main objects and the objects incidental and ancillary to the main objects of our MOA enable our Company to undertake the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our MOA.

Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

<i>(₹ in lakhs)</i>	
Particulars	Amount
Gross Proceeds from this Issue [^]	4,950.00
Less: Estimated Issue related expenses	100.00
Net Proceeds from the Issue	4,850.00

[^] assuming full subscription and allotment

Requirement of Funds and utilization of Net Proceeds

The proposed utilization of the Net Proceeds by our Company is set forth in the following table:

<i>(₹ in lakhs)</i>	
Particulars	Amount
Augmenting Working Capital Requirements	3,950.00
General Corporate Purpose	900.00
Total Net proceeds	4,850.00

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, Directors, Key Managerial Personnel or associate companies (as defined under Companies Act, 2013).

Means of Finance

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI (ICDR) Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of the Objects of the Issue

1. Augmenting our Working Capital Requirements

We fund a majority of our working capital requirements in the ordinary course of business from banks and internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

Our Company utilizes fund based borrowings and its internal accruals to meet its working capital requirements. We propose to utilise ₹ 3950 lakhs from the Net Proceeds of the Issue to fund the working capital requirements of our Company in Fiscal Year 2023.

Basis of estimation of long-term working capital requirement

The details of our Company's working capital as at March 31, 2022 is derived from the audited financial statements, and source of funding of the same are provided in the table below. Our expected working capital requirements for FY 2023 are as set out in the table below:

Particulars of Assets	(₹ in lakhs)	
	2021-22 Audited	2022-23 Projected
Current Assets		
Margin Money and Cash Balances	8,916	14,130
Inventories	43,698	39,800
Trade Receivables	52,083	66,400
Advances	-	750
Balance with Government Authorities	6,740	12,400
Other Current Assets	1,677	2,000
Total (A)	1,13,114	1,35,480
Current Liabilities		
Trade Payables	33,971	38,800
Other Current Liabilities	6,875	3,813
Provision for taxation	924	1,252
Total (B)	41,770	43,865
Net Working Capital (A)-(B)	71,344	91,615
Working Capital gap	-	20,271
Sources of Working Capital		
(i) Fund Based Borrowings		
a) Banks	29,758	15,242
b) Others-Unsecured	16,343	-
(ii) Internal Accruals	25,243	1,079
(iii) Rights Issue Proceeds	-	3,950

*Our company has consolidated sanctioned limit of facilities from Consortium of Bankers, led by Indian Bank aggregating to ₹96,000 Lakhs, consisting of fund based limit of ₹ 45,000 Lakhs and non-fund based limit of ₹ 51,000 Lakhs.

Assumption for future working capital requirements:

Particulars	Number of Days	
	Holding level as on March 31, 2022 (Audited)	Holding level as on March 31, 2023 (Projected)
Current Assets		
Inventories	39	29
Trade Receivables	45	51
Current Liabilities		
Trade Payables	29	31

Justification for "Holding Period" levels:

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

Current Assets	
Inventories	Our Company has assumed the holding levels for inventories as 29 days of the total projected COGS for FY 22-23.
Trade Receivables	Our Company has assumed the holding levels for trade receivables as 51 days of the total projected sales for FY 22-23.
Current Liabilities	
Trade Payables	Our trade payables have a direct correlation to our business growth. Holding

level for trade payables as 31 days which is line with the past levels and the projected operations for FY 2022-23.

General Corporate Purpose:

We intend to deploy ₹900 Lakhs from net proceeds of the Rights Issue towards general corporate purposes. The general corporate purposes for which our Company proposes to utilize issue proceeds include but not restricted to entering into brand building exercises and strengthening our marketing capabilities, general maintenance, partnerships, tie-ups or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. However, not more than 25% of the Gross Proceeds of the issue would be deployed for the General Corporate purposes.

General corporate purposes may include, but are not restricted to, the following:

- Strategic initiatives;
- Funding growth opportunities;
- Meeting ongoing general corporate contingencies;
- Meeting fund requirements of our Company, in the ordinary course of its business;
- Meeting expenses incurred in the ordinary course of business; and

Deployment of funds

Our Company has deployed a sum of Rs.8.86 lakhs towards the objects of the issue mentioned above (certified by Bhogilal C. Shah & Co., Chartered Accountants vide their letter dated June 10, 2022). The details of the deployment are as under:

Particulars	₹ in lakhs
Deployment of funds	
Issue expenses	₹8.86
Source of funds	
Internal accruals*	₹8.86

**The said amount has been met by the Company from its own resources and we have been informed that the same will be adjusted against the issue proceeds*

Issue related expenses

The total expenses of this Issue to be ₹100.00 lakhs. The break-up of the Issue expenses is as follows:

Particulars	Amount* (₹ lacs)	As a percentage of total expenses*	As a percentage of Gross Issue size*
Fees of the Registrar to the Issue, Legal Advisor, Advisor/Merchant Banker, Auditor's fees, including out of pocket expenses etc.	[•]	[•]	[•]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[•]	[•]	[•]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[•]	[•]	[•]
Total Issue expenses	100.00	100.00%	[•]

**Subject to finalization of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted with the amount allocated towards general corporate purposes. Amount will be finalized at the time of filing of the Letter of Offer and determination of Issue Price and other details. In the event there is any reduction in the actual Issue Expenses, the residual amount shall be utilized towards General Corporate Purposes.*

Bridge Financing Facilities

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

Interim use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. 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 Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds towards the stated objects of the Issue, our Company shall not use/deploy the Net Proceeds for any investment in the equity markets.

Monitoring of utilization of funds

Since the Issue is for an amount less than ₹ 10,000 lacs, in terms of Regulation 82 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(3) read with Part C of Schedule II of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses / application 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 Draft 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 Statutory 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 Draft 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.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

Strategic or financial partners

There are no strategic or financial partners to the Objects of the Issue.

Interest of Promoter, Promoter Group and Directors, in the objects of the Issue.

Neither the Promoter Group, Directors, Group Companies or Key Management Personnel has entered into nor are planning to enter into any arrangement/ agreements with Promoters, Promoter Group, Directors, Key Management Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

STATEMENT OF TAX BENEFITS

The Board of Directors

Compuage Infocom Limited

601, D- Wing, Lotus Corporate Park
Ram Mandir Lane, Jai Coach Junction
Western Express Highway, Goregaon (E)
Mumbai - 400 063, India

Independent Auditor's Report in relation to statement of possible special tax benefits available to Compuage Infocom Limited ("the Company"), its shareholders and its subsidiary under the Indian tax laws for the Proposed Rights Issue of equity shares of face value of Rs. 2 each ("Equity Shares") (herein referred to as the "Issue") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI Regulations").

In connection with the Issue by the Company we report that the enclosed Annexure, prepared by the Company states the possible special tax benefits available to the Company, its shareholders and subsidiary namely Compuage Infocom (S) Pte. Ltd. under direct tax laws including the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2022 (hereinafter referred to as "Income Tax Laws"), i.e. applicable for Financial Year 2022-2023 relevant to the Assessment year 2023-2024 presently in force in India, available to the Company, its shareholders and subsidiary of the Company. In the Annexure, the tax benefits relating to shareholders of Compuage Infocom (S) Pte. Ltd. are not included since Compuage Infocom (S) Pte. Ltd. is not issuing any shares to its shareholders. Several of these benefits are dependent on the Company, its shareholders or subsidiary as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders or subsidiary to derive the possible special direct tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders and its subsidiary faces in the future, the Company, its shareholders and its subsidiary may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special direct tax benefits available to the Company, to the shareholders of the Company and its subsidiary and are not exhaustive and also do not cover any general tax benefits available to the Company or its shareholders or its subsidiary. The preparation of the contents stated in the Annexure is the responsibility of the Company's Management. 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. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific direct tax implications arising out of their participation in the Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor advising the investor to invest in the Issue based on this Annexure. The benefits discussed in the Annexure are only intended to provide the direct tax benefits to the Company, its shareholders and its subsidiary in a general and summary manner and does not purports to be complete analysis or listing of all the provision or possible tax consequences of the subscription, purchase, ownership or disposal, etc. of the shares. The tax benefits listed herein are only the possible special tax benefits which may be available under the current direct tax laws presently in force in India. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Annexure. We do not express any opinion or provide any assurance as to whether:

- (i) the Company or its shareholders or its subsidiary will continue to obtain these benefits in future;
- (ii) the conditions prescribed for availing the benefits have been/would be met with; and
- (iii) the revenue authorities / courts will concur with the views express herein.

The contents of the enclosed 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 subsidiary.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Draft Letter of Offer and the Letter of Offer ("Offer Documents") of the Company or in any other documents in connection with the Issue. We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant

applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI. This certificate is issued at specific request of the Company and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents in connection with the Issue, to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges. This report is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. We hereby give consent to include this statement of possible special tax benefits available to the Company, its shareholders and its subsidiary in the Offer Documents and in any other material used in connection with the Issue.

Yours faithfully,

For Bhogilal C.Shah & Co.
Chartered Accountants
Firm Registration Number: 101424W

Name: Suril Shah
ICAI Membership Number: 42710
UDIN: 22042710AGKYGB1090

Date: April 5, 2022
Place: Mumbai

Encl: Annexure

ANNEXURE

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO COMPUAGE INFOCOM LIMITED (THE "COMPANY"), ITS SHAREHOLDERS AND SUBSIDIARY UNDER THE INCOME TAX LAWS

Outlined below are the possible special tax benefits available to Compuage Infocom Limited ("the Company"), its Shareholders and its subsidiary under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2022 (hereinafter referred to as "Income Tax Laws"), i.e. applicable for Financial Year 2022-2023 relevant to the Assessment year 2023-2024 presently in force in India.

1. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders of the Company

There are no possible special tax benefits available to the Shareholders of the Company for investing in the shares of the Company under the Income Tax Laws.

3. Special tax benefits available to the subsidiary i.e. Compuage Infocom (S). Pte. Ltd.

There are no special tax benefits available to the subsidiary of the Company.

Notes:

- a) The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b) The above statement covers only certain relevant direct tax law benefits and does not cover any benefit under any other law.
- c) The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24.
- d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f) 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

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from a report "Technology-Sector-in-India-Building-Capabilities-to-Win-in-the-New-Normal" prepared by NASSCOM and IDC. Company had obtain permission from NASSCOM to insert the information in this chapter vide letter dated February 16, 2022. Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

INTRODUCTION

The IT distribution industry in India has evolved rapidly over the past decade. It has undergone major transformation during this period in terms of the number of products, distributors and resellers, channel and vendor expectations. The IT distribution industry is witnessing growth fueled by investment in the IT and ITES sector, increasing need for automation and information technology in all industries, increase in communication and computing infrastructure spending and increased internet usage in India.

IT distributors play a key role of providing supply chain services to enable the movement of technology products, solutions and after sales services from the vendors of the product to the end users of these products. The products include PCs, servers, notebooks, printers, and PC components, networking products, software products and licences, storage products, power solutions or mobile devices. The solutions are based on integration of multiple products / technologies from multiple manufacturers with services in the form of installation / configuration or customization to cater to the unique needs of the customers. The after sales services include installation, warranty support, post warranty support, maintenance contract, reverse logistics activities etc.

Apart from distributors, other entities like resellers, solution providers, system assemblers, system integrators and retailers form part of IT industry's distribution channels. Over the years, the distribution channel structure has evolved depending upon the nature of the product, the customer segment, the vendor's strategy and India's policy framework. All the entities in the channel play a complementing role to each other to provide quality service to the customers in a cost-effective manner. Distributors are the first link between the manufactures and the rest of the channel. The distributors are referred to as first tier of channel and the other entities like resellers, system integrators, solution providers, retailers are called second tier of the channel. The distributors primarily sell to the second-tier channel partners.

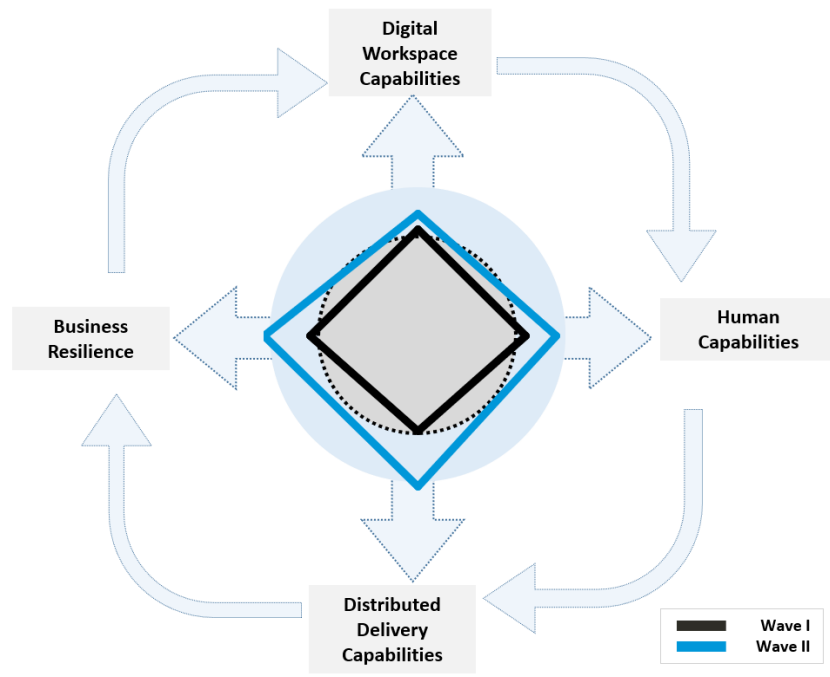
The end users vary and include large enterprises, small and medium enterprises, government organisations, educational institutions, defence, research organisations and individual buyers.

Indian Tech Outlook remains positive with strong revenue growth and hiring outlook

Strong rebound in global IT spending expected – IDC growth forecast of 10.9% in 2021

- 67% of CEOs expect Indian technology industry to grow significantly higher than 2020
- 60% CEOs feel that growth will be led by larger digitization deals & return of technology spending in core markets such as BFSI, manufacturing, and retail
- Hiring sentiment remains bullish despite second wave with nearly 89% of technology organizations planning to increase their workforce
- Driven by digital tech spending, Indian technology services industry is likely to experience accelerated growth in the next few years to reach USD 300- 350 billion by 2025
- Many of the industry's outperformers beyond the pandemic will be those who continue to enhance their capabilities during and beyond the pandemic. Many will:
 - Accelerate efforts and initiatives to adopt "Future Operating Models"
 - Reimagine stakeholder engagement in the virtual setup and establish mutual trust with clients, employees, and partners

The industry's value proposition to all stakeholders (employees, customers, partners etc.) has significantly enhanced, setting the stage for robust growth



Key Levers of Evolution in Tech Industry's Capabilities	
First Wave	Second Wave
Digital Workspace Capabilities	
▪ Enacted provisions for remote working and secured requisite stakeholder approvals	▪ Investments in remote working collaboration tools, and HR process digitization
Human Capabilities	
▪ Reskilling, and training of managers to lead remote teams	▪ Access to wider and diverse talent base across geographies, and rising gig model adoption
Distributed Delivery Capabilities	
▪ Wide scale deployment of hardware for enabling remote working	▪ Streamlined work processes for efficient location agnostic work delivery capabilities
Business Resilience	
▪ Developed scalability and fungibility in remote working model	▪ Workforce Mapping and Multi-backup provisioning ▪ Cloud based BCP/DR strategy

Demand for IT hardware products in India

To understand the scope of IT products distribution industry in India, it is important to know the market size of the main categories of the IT products. IT products can be broadly categorized as follows:

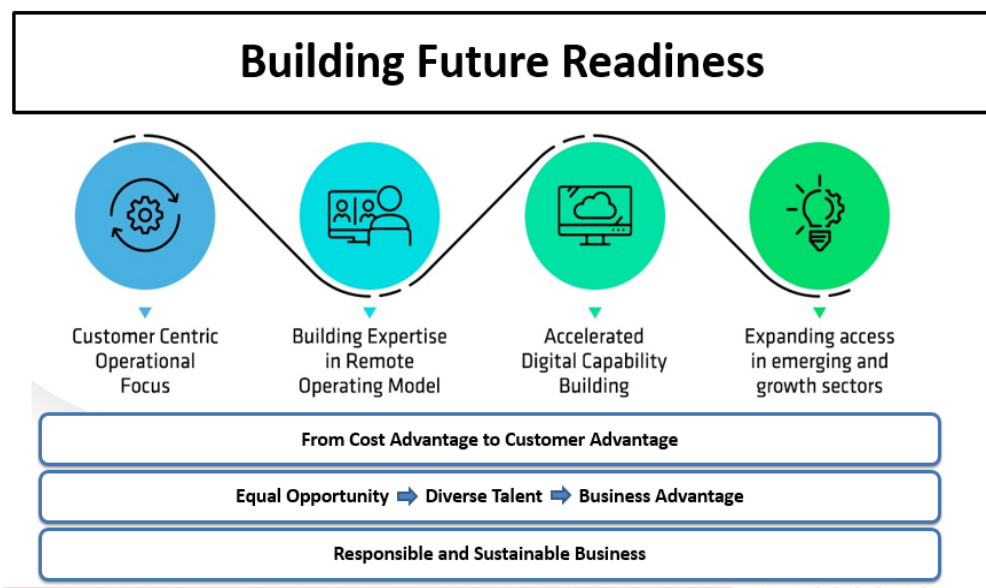
- **Systems:** PCs, servers, notebooks, workstations
- **Peripherals:** Dot matrix printers, inkjet printers, scanners, plotters, lasers, multifunction devices, storage devices like tapes
- **Components:** CPUs, motherboards, hard disks, CD-ROM, CD-writers, key boards, mouse, monitors;
- **Datacom:** Networking products like cabling, switches, routers, storage products; and
- **Packaged software:** All the software products like platforms, databases, anti virus softwares etc.

The biggest component of the domestic India, IT market is the PC market. The PC market grew 14.8% in 2021, shipping the largest number of desktops, laptops, and workstations in a single year since 2012, according to data tracker IDC. Shipments were up over 34% from the industry's low point in 2017, to 349 million units, according to preliminary data provided by IDC.

Technology Industry in India is Building Future Resilience

To ensure success of technology organizations, it is imperative that the value proposition to clients continue to evolve and the business models remain agile and adaptable to the changing business context.

Over the last decade, the industry has successfully transitioned from cost arbitrage to customer advantage through accelerated digital capability building, while simultaneously expanding its products and service portfolio to cater to emerging and growth sectors.



HOW TECH INDUSTRY NAVIGATED THE WAVE OF COVID-19

- The industry was fairly successful in navigating through the challenges arising due to reintroduction of lockdowns and travel restrictions, heightened impact on workforce in terms of infections (employees and family members), concerns related to employee engagement, and employee mental well-being.

1. Re-Alignment of work processes
2. Strengthening security posture to secure IT assets, customer, and organizational data
3. Focus on talent sourcing, skilling and training

1. Re-Alignment of work processes from online/ onsite/ offsite for business continuity.

The pandemic ushered a new era for the technology industry wherein they were impelled to acclimatize to the new normal seamlessly by adapting to the evolving requirements. While the 1st wave pushed enterprises to service their customers remotely and shift from on-site to offsite/ remote work models, the second wave brought in new set of challenges with respect to employee's health and safety. This ensued focus shifting towards an employee-first approach along with a realignment of organizational priorities and BCP plans. Some of the notable initiatives taken up by leading vendors to put BCP in motion are highlighted below:

- **Cloud based BCP/DR strategy-** Cloud-based BCP is increasingly becoming a critical requirement and enterprises will evaluate as-a-service option to get access to data with no or minimal downtime. This model not only ensured security of critical data, but also improved

efficiency and reliability in the event of a disaster. Remote management and easy scalability and flexibility options turned the needle in favor of cloud based BCP.

- **Sourcing skillsets globally-** From a delivery perspective, some of the security and services vendors diversified their delivery risks through globalization. For instance, Mphasis accelerated their hiring, training and expansion plans across various countries and regions, to ensure business continuity.
- **Rise of satellite offices and shared set-ups-** Some of the technology companies evaluated hub and spoke office models with satellite offices as a large percentage of their workforce migrated and resumed work from their hometowns during the mid-term. Shared infrastructure is likely to become a popular model for conducting business, once normalcy resumes. Some vendors are evaluating options to collaborate with partners/ clients and try co-working options to optimize real estate utilization.
- **Follow the sun model-** Some of the product companies such as SAP did not see any major disruptions on the customer-front as they managed their deliveries by leveraging their virtual technology infrastructure. They reprioritized activities such that there were no breaks in services/ SLAs to customers. Some of the critical launches were planned on schedule, by using the 'follow the sun' model wherein software development teams working in one time zone hand over their work to their counterparts working in different time zone, to speed up product development and subsequent launch. Workflow processes had to be redesigned resulting in heightened investments on secure communication and collaboration platforms to provide seamless user experience across all employees and stakeholders.

2. Strengthening security posture to secure IT assets, customer, and organizational data

Security budgets have witnessed an upswing as WFH migrations demand greater focus on securing the enterprise assets. Security spend has clearly outpaced some of the other IT infrastructure spending.

As per IDC's Worldwide Security Spending Guide published in Feb'21, the spending on security is forecasted to grow by 8.7% in 2021 and register a compounded annual growth of 9.4% over the next 4 years, backed by strong uptake of network security, cloud security and related managed security and consulting services and technology companies themselves have been in the forefront of adoption.

Consumer and enterprise VPN services along with software-defined access services are experiencing strong growth as remote workers attempt to access resources that are isolated behind enterprise firewalls. On the other hand, clients in regulated industries such as BFSI and Healthcare have further embraced cloud to migrate some of their applications. They are partnering with security vendors such as Check Point, Palo Alto Networks, among others or with managed security service providers to enable cloud security to help migrate and protect workloads on cloud. Some of the security vendors continued to offer free licenses for up to 90 days, with an intent to support the clients and forge stronger vendor-client partnerships.

Product companies owning intellectual property (IP) rights or sensitive information take stringent measures to improve governance and security. Vendors such as Intel already had robust measures in place, however they intensified it further by securing all the assets in a timely manner. They also ensured smooth integration with suppliers to enable seamless and easy product development processes. Technology providers such as Zensar adopted measures to secure their IT infrastructure through adoption of security best practices of ISO 27001 Information Security Management Systems (ISMS) and establishing secure work from home environment. Additionally, all the employees were trained and received guidance and alerts at regular intervals on topics related to phishing, malwares, end point security, etc., to secure vital customer information.

However, while evaluating long term work from home options, it is quite evident that remote work models comes with its own set of challenges with regards to infrastructure, internet bandwidth, conducive environment at home to set up workstations, seamless connectivity and security as the underlying foundation to provide secure access anytime and anywhere. For technology product companies such as

eMudhra or companies with R&D and engineering labs set up in India, wherein a large portion of workforce is into product innovation and development and hence require to collaborate more or work out of R&D hubs, return to office is expected to be sooner than the rest. Top it up with clients who are bound by regulatory protocols and require stringent security norms to be followed to manage expectations and ensure on time delivery.

3. Focus on talent sourcing, skilling and training (Evolving talent model)

Talent is the backbone of Indian IT story. Indian IT firms have enjoyed the advantage cost arbitrage through 1990s and 2000s. Technology advancements happened so fast in the last decade that delivering business value by leveraging digital technologies became important as compared to cost arbitrage. In this context, Indian IT firms had to reinvent themselves to be relevant.

As going digital started manifesting into a boardroom discussion rather than an IT discussion, it needed a mindset change for Indian IT firms to engage with a different set of stakeholders at the client side. This is where deep relationships with clients came to rescue. They went to go beyond engaging with clients' IT team and start engaging business leaders and users. The discussions had to be elevated from a technology perspective to business problem solving. Indian IT firms employed techniques like design thinking and agile way of working and Indian IT firms have elevated themselves to align to changing ways of working with clients. This means that the employees who interact with clients day in and day out need to be equipped with new set of technology as well soft skills.

COVID-19 pandemic acted as the test bed to measure effectiveness of these initiatives as the demand for digital skills spiked as clients accelerated digital adoption. Almost all the IT firms used this opportunity to accelerate their training efforts on digital technologies. Every organization we interviewed saw a spike in training and certifications in last 1.5 years.

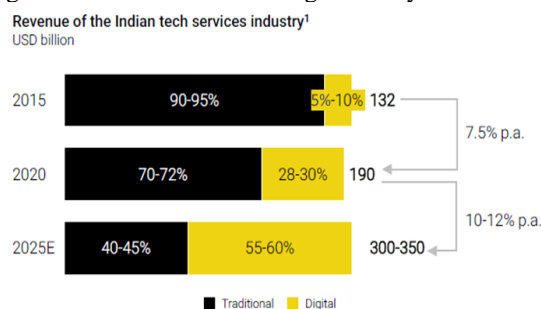
The delivery heads/managers had to realign their way of working as some of their employees were directly impacted during the second wave of pandemic. One of the skills that was needed for delivery heads/leaders is to break the work into smaller, easily manageable, and deliverable work packets as a part of their teams were not available due to pandemic. Another skill that was needed was for delivery/heads/managers was to leverage the larger talent pool across the organization (or sometimes, outside the organization) to deliver.

Robust Hiring Trends and Strong Tech Investment Focus

As per NASSCOM CEO Pulse survey (second Wave Dipstick), the hiring sentiment continues to remain bullish with nearly 89% of technology organizations planning to increase their workforce in 2021, with 56% of organizations looking at a workforce addition of 5% or more.

In 2021, 67% of CEOs expect Indian technology industry to grow significantly higher than 2020, and 60% CEOs expect growth to be led by larger digitization deals & return of tech spending in core markets such as BFSI, manufacturing, and retail.

Over the last year and a half, organizations have invested significantly to enhance their capabilities on all fronts.



1. Does not include e-commerce revenues

Source: NASSCOM strategic reviews; Team analysis

OUR BUSINESS

Our History and Business Overview

Our Company was incorporated on May 26, 1995 with the name 'Compuage Electronics Limited' as a public limited company under the erstwhile Companies Act, 1956 and we were granted the certificate of incorporation by the Registrar of Companies at Mumbai. In the year 2000, pursuant to a scheme of amalgamation, under Section 391 and 394 of the erstwhile Companies Act, 1956, approved by Hon'ble High Court of Bombay, our Company was amalgamated with Worldwide Infocom Limited, a public limited company, whose Registered Office was situated in the state of Tamil Nadu. Subsequent to the amalgamation, the name of Worldwide Infocom Limited was changed to Compuage Infocom Limited and a fresh certificate of incorporation consequent to name change was obtained on June 19, 2000. The Registered Office of the Company was then shifted from the state of Tamil Nadu to the State of Maharashtra pursuant to a certificate of incorporation issued by the Additional Registrar of Companies, Tamil Nadu on April 26, 2002.

Our Registered Office is situated in Mumbai, Maharashtra.

Our Company is into distribution of IT hardware, software & security products distribution which is broadly categorized into IT consumers & enterprise segment. IT Consumers comprises of stock & sales model wherein we stock the products and facilitate sale of the same, whereas enterprise segment comprises of back-to-back sales model, where the entire sales are driven through various tie-ups such as organized retail chains, resellers, value added resellers, brand stores and system integrators.

Our product offerings include computers, components and peripherals, cloud computing, mobility products, enterprise solutions and physical safety and security solutions. We have tied-up with a strong network of resellers to distribute our product offering across the length and breadth of the nation and beyond. Our Company has established its presence across the country through sales office, service centers and warehouses. We have also tied up with global brands along with web of resellers which enables distribution of our products. We, through our WOS and branch office in Singapore, have presence in SAARC region.

Our operational activity pertaining to our product offering includes procurement, warehousing, technical support, material movement and evaluation based credit facilities to the resellers based on their financial credibility. Our Company also provides important value added services, such as pre-sales and post-sales support for its enterprise and cloud based products.

OUR KEY BUSINESS ACTIVITIES



SOURCING



WAREHOUSING



**INVENTORY
MANAGEMENT**



SALES



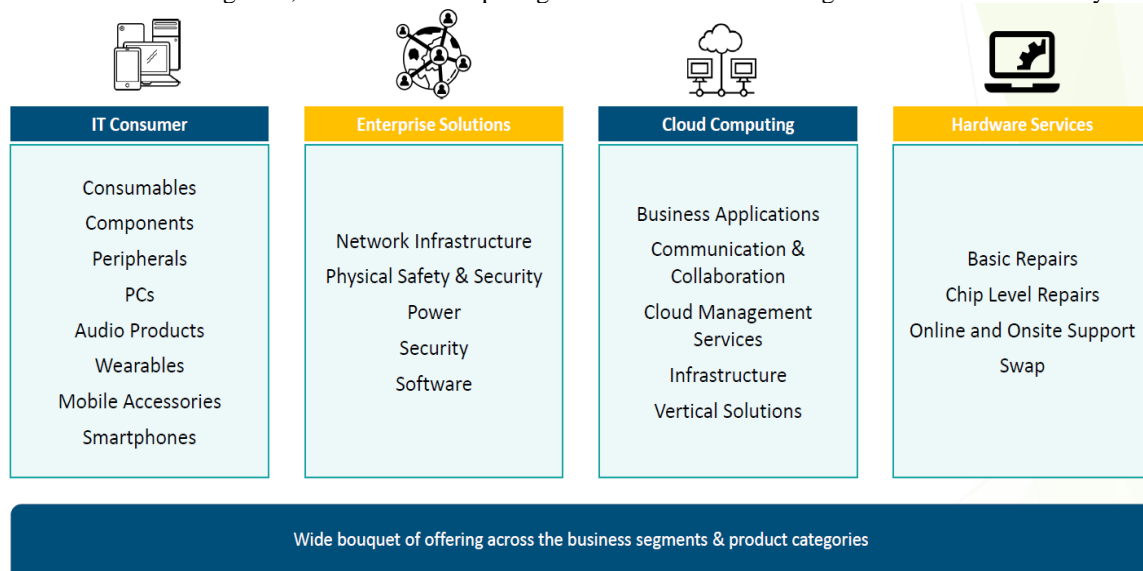
**CREDIT
DEPLOYMENT**

OUR DISTRIBUTION MODEL

Our Company acts as a bridge between original equipment manufacturer and the resellers. We procure the products from various manufacturers on the basis of sales analysis and projection by our sales and business development team. Upon the procurement of the identified products, the same are warehoused at our warehouse facilities, spread across India. Thereafter, our inventory management team takes details of the inventory in order to address the sales opportunity as per the demand and supply requirements. On the basis of sales order, our sales team along with business development team supply our product offering to organized retail chains, resellers, value added resellers, brand stores and system integrators, in order to make our products available to end users. We also provide our product offering to certain resellers on credit basis.

Product Segments

Our product offerings are bifurcated into 4 product segments, i.e., IT consumer, IT enterprise solutions, cloud computing and hardware services. The IT consumer segment mainly deals in consumables, components, peripherals, PCs, audio products, personal computers and peripherals. The IT enterprise segment deals in products relating to network infrastructure, physical safety & security power, security and software. The cloud computing segment includes business applications, communication and collaboration, infrastructure, vertical solutions and cloud management services. The hardware services segment provides warranty services, which includes basic repairs, online and onsite support swap and chip level repairs. IT consumer and IT enterprise solutions have been in existence for a long time, while cloud computing and hardware services segments have been recently set up.



IT Consumer

The IT Consumer segment mainly deals in PCs and peripherals. The IT Consumer segment witnessed a strong demand from various customer segments including corporates and individuals during the nationwide lockdown due to COVID-19 and is expected to grow in the coming years.

Enterprise Solutions

The IT Enterprise segment deals in products related to cyber security, software, power and network infrastructure. The need for companies to have a robust IT infrastructure has increased during the nationwide lockdown due to COVID-19. Companies have realized that in order to ensure their business continuity, they need to have an adequate and modern IT infrastructure and thus increase in investment on cyber security, communication networks and IT infrastructure can be evidenced.

Cloud Computing

The need for cloud services has increased over the past few years. In the wake of COVID-19 pandemic, corporates are working towards increased access of critical data from any part of the world for their employees. With work from home becoming the new normal, cloud infrastructure has gained popularity and thus companies have started investing in the cloud services to ensure the business does not get affected.

Hardware Services

Under hardware services, we provide repairs and warranty services on behalf of entities with whom we have tie up for our product offerings. We are focusing on this segment as a profitable business segment with high margins and significant scope of growth opportunities.

Business strategy:

- Enter in tie-ups with newer marquee brands to widen our product portfolio.
- Focus on higher profitable business segments to efficiently allocate capital and hence improve the overall return on investment.
- Continue the cost efficiency initiatives to improve profitability of the Company.
- Increase our reach and penetration to every corner of the country.
- Launch of online purchase model for our tie-ups which will help to tap larger market share.
- Enhance the efficiency of our work delivery processes through good planning, flexibility amongst our workforce and utilising available technology and field tools.
- Ensuring overall safety of our people, recruiting, training and retaining the talent and delivering on shareholder value.

Our Strengths***Experienced management team with proven project management and implementation skills.***

We have an experienced management team which we believe has positioned our business well for continued growth and development. Our management team has significant experience in the areas of finance, quality control, strategy, material sourcing and business development. We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new segments and geographies. We believe our management team has demonstrated its ability to execute our business plan and has the skills and experience needed to implement our strategic objectives related to our business and expansion in the future.

Track record of growth and profitability

We have a track record of revenue delivery and profitability across various markets with healthy cash flows. The following table sets forth our total revenue from operations, EBITDA and restated profit for the year/period on a consolidated basis, as specified below:

	(₹ in lakhs)		
Year	2022	2021	2020
Revenue from Operations	4,20,750.18	3,72,978.67	4,23,250.77
EBITDA	11,447.76	9,443.28	10,499.25
Profit Before Tax	3,664.08	2,789.26	3,995.13
Profit After Tax	2,674.85	2,068.15	3,050.95

Long term relationship with clients and repeat business

We enjoy a good reputation and despite increase in competition, have received repeat orders from several of our prominent clients. Our clients are spread across nation and overseas and have been associated with us for a medium/ long term period. We believe that we constantly try to address our client's requirements which help us to maintain a long-term working relationship with our clients and improve our retention strategy. We believe that the portfolio of our existing clients gives us a competitive advantage in gaining new clients and increasing our business.

Human Resources

The human resource function has been significant for our Company. It plays a vital role in unlocking the human potential, which results in organisation transformation and success. Our Company relies on its human capitals skillsets to generate value. Our employees are skilled across a range of industry related competencies to provide client services and functions. As on date, our Company had a workforce of 650+ employees.

S. No	Department	Function	Skilled	Un-skilled	Grand Total
1	Management	Director	2	-	2
2	Accounts & Finance	Accounts & Finance	74	-	74
3	Admin	Admin	3	-	3

S. No	Department	Function	Skilled	Un-skilled	Grand Total
		Secretary	3	-	3
4	Business	Business	43	-	43
5	HR	HR	4	-	4
6	IT	IT	3	-	3
7	Marketing	Marketing	1	-	1
8	Operations	Branch Support	1	-	1
		Import	3	-	3
		Logistic	25	-	25
		Office boy	-	61	61
9	Sales	Sales	144	-	144
		Sales Coordinator	21	-	21
10	Secretarial	Secretarial	2	-	2
11	Service	Service	282	-	282
Grand Total			611	61	672

Intellectual Property Rights:

Our Company owns the following trademark

Sr No.	Trade Description	Class	Registration Number	Valid up to
1	Manufacturers & Traders	9	1878282	29/10/2029
2	Manufacturers & Traders	16	1878283	29/10/2029
3	Service Provider	35	1878284	29/10/2029

Property:

We carry out our business operations from the following properties:

Freehold Property:

Sr. No.	Particulars of the Property	Area in Sq. Ft.	Usage
1.	D-601/602 & G-601/602, Lotus Corporate Park, Steel Compound, Western Express Highway, Goregaon (East), Mumbai – 400 063, Maharashtra	11,625	Registered Office
2.	Flat no. 2002, 20 th Floor, Wing A, Raheja Ridgewood, Goregoan East, Mumbai- 400 063	1,626	commercial
3.	Flat no. 1302, 13 th Floor, Wing A, Raheja Ridgewood, Goregoan East, Mumbai- 400 063	1,626	commercial
4.	Flat no. 502, 5 th Floor, Wing A, Raheja Ridgewood, Goregoan East, Mumbai- 400 063	1,626	commercial

Leased Property:

Our Pan-India service centers, sales office and warehouses, are operated from leased premises which is held on long term/ short term lease basis from a third party.

Export Obligations

Our Company do not have any export obligations.

Insurance

We have taken insurance policies insuring major risks relating to fire, theft for our buildings and stock. Details of insurance policies are given below:

(₹in Lakhs)					
Nature of policy	Insurance co. name	Policy No.	The date of last renewal and next renewal	Insured Value	Total Premium with GST
Stock Floater	National Insurance Company Limited	251100112110000123	From 15/07/2021 to 14/07/2022	125	0.30
Stock Floater	National Insurance Company Limited	251100112110000119	From 15/07/2021 to 14/07/2022	14,500	25.79
Stock Floater	National Insurance Company Limited	251100112110000120	From 15/07/2021 to 14/07/2022	14,100	22.79
Stock Floater	National Insurance Company Limited	251100112110000121	From 15/07/2021 to 14/07/2022	16,300	26.34
Burglary Floater Policy	National Insurance Company Limited	251100592110000104	From 15/07/2021 to 14/07/2022	45,025	1.87
Policy Schedule For Fidelity Guarantee (Stock)	National Insurance Company Limited	251100592110000105	From 15/07/2021 to 14/07/2022	50	0.13
Money policy-lotus	National Insurance Company Limited	251100592110000098	28/06/2021 to 27/06/2022	60	0.03
D&O policy	Bajaj Allianz General Insurance Company Limited	OG-22-1907-3315-00000005	28/08/2021 to 27/08/2022	500	0.94
Building-lotus policy - Hyderabad	Bajaj Allianz General Insurance Company Limited	OG-22-1907-4057-00000125	07/09/2021 to 06/09/2022	4,000	2.82
Policy Schedule For Fidelity Guarantee (Unnamed (Floating)) Insurance-Lotus	National Insurance Company Limited	251100592110000166	From 03/10/2021 to 02/10/2022	30	0.26
Money Insurance - All India (Single Carrying Limits For - Cash/Coin/Travelers Cheques/ Bank drafts)	National Insurance Company Limited	251100592110000165	From 03/10/2021 to 02/10/2022	15	0.16

Nature of policy	Insurance co. name	Policy No.	The date of last renewal and next renewal		Insured Value	Total Premium with GST
Transit-Domestic	Bajaj Allianz General Insurance Company Limited	OG-22-1907-1006-00000076	01/10/2021 30/09/2022	to	41,354	14.16
Transit-Import	Bajaj Allianz General Insurance Company Limited	OG-22-1907-1006-00000032/33	01/10/2021 30/09/2022	to	22,600	6.23
Raheja property insurance	Bajaj Allianz General Insurance Company Limited	OG-22-1907-4055-00000747-Raheja Fire Policy [5th Floor]	03/02/2022 02/02/2023	to	26	0.02
Raheja property insurance	Bajaj Allianz General Insurance Company Limited	OG-22-1907-4055-00000749-Raheja Fire Policy [20th Floor]	03/02/2022 02/02/2023	to	26	0.02
Raheja property insurance	Bajaj Allianz General Insurance Company Limited	OG-22-1907-4055-00000750-Raheja Fire Policy [13th Floor]	03/02/2022 02/02/2023	to	26	0.02
Total						101.87

OUR MANAGEMENT

Board of Directors

Our Board of Directors presently consists of six Directors, including 2 Executive Directors and 4 Non-Executive Directors (all of whom are Independent Directors including 1 woman Independent Director). The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and SEBI LODR Regulations.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

The following table sets forth details regarding our Board of Directors as of the date of this Draft Letter of Offer.

No.	Name, address, DIN, date of birth, age (in years), term, period of directorship, occupation	Designation	Other directorships
1.	Atul Harkishandas Mehta Address: 1804, Wallace Apartments, Sleater Road, Mumbai 400007, Maharashtra, India DIN: 00716869 Date of birth: November 29, 1960 Age (in years): 61 Term: September 08, 2020 to September 07, 2025 Period of directorship: Since September 08, 2008 Occupation: Business	Managing Director	<i>Indian Companies</i> <ul style="list-style-type: none"> Akay Filtips Private Limited Inga Advisors Private Limited Inga Ventures Private Limited Technology Distribution Association of India Compuage Technologies Private Limited <i>Limited Liability Partnership</i> <ul style="list-style-type: none"> Ekkum Advisors LLP <i>Foreign Companies</i> <ul style="list-style-type: none"> Compuage Infocom (S) Pte. Limited
2.	Bhavesh Harkishandas Mehta Address: 4A-1, 4th floor, Great Eastern Royale, 333 Balasis Road, Tardeo (West) Mumbai 400034, Maharashtra, India DIN: 00740861 Date of birth: March 27, 1973 Age (in years): 49 Term: October 18, 2020 to October 17, 2025 Period of directorship: Since October 18, 2000 Occupation: Business	Whole Time Director	<i>Indian Companies</i> <ul style="list-style-type: none"> Compuage Technologies Private Limited

No.	Name, address, DIN, date of birth, age (in years), term, period of directorship, occupation	Designation	Other directorships
3.	Ganesh Shiva Ganesh Address: 3/12 Seema Society, N. Dutta Marg, Near Good Shepherd Church, Andheri (W), Mumbai 400053, Maharashtra, India DIN: 00010877 Date of birth: April 02, 1959 Age: 63 Term: August 23, 2019 to August 22, 2024 Period of directorship: Since October 18, 2000 Occupation: Professional	Independent Director	<i>Indian Companies</i> <ul style="list-style-type: none"> Inga Advisors Private Limited Inga Foundation Inga Management and Investment Private Limited Inga Ventures Private Limited Berkshire Advisors Private Limited <i>Limited Liability Partnership</i> <ul style="list-style-type: none"> Ekkum Advisors LLP <i>Foreign Companies</i> <ul style="list-style-type: none"> Nil
4.	Vijay Gopi Kishan Agarwal Address: A-93, Kalpataru Solitaire, N S Road No 5, JVPD, Mumbai 400049, Maharashtra, India DIN: 00058548 Date of birth: June 29, 1957 Age: 65 Term: August 23, 2019 to August 22, 2024 Period of directorship: Since June 24, 2006 Occupation: Professional	Independent Director	<i>Indian Companies</i> <ul style="list-style-type: none"> Themis Medicare Limited Gujarat Themis Biosyn Limited Gujarat Polysol Chemicals Limited Aditya Birla Renewables Energy Limited Aditya Birla Renewables Solar Limited Aditya Birla Sun Life Pension Management Limited Sanskar India Foundation Motilal Oswal Trustee Company Limited Aditya Birla Insurance Brokers Limited <i>Limited Liability Partnership</i> <ul style="list-style-type: none"> Nil <i>Foreign Companies</i> <ul style="list-style-type: none"> Nil
5.	Virendra Gunvantrai Bhatt Address: 1706-A, Mount Everest-9A, Anil Wadala Link Road, Imax Big Cinema, Antop Hill, Wadala, Mumbai 400037, Maharashtra, India DIN: 02343351 Date of birth: May 12, 1945	Independent Director	<i>Indian Companies</i> <ul style="list-style-type: none"> Nil <i>Limited Liability Partnership</i> <ul style="list-style-type: none"> Nil <i>Foreign Companies</i> <ul style="list-style-type: none"> Nil

No.	Name, address, DIN, date of birth, age (in years), term, period of directorship, occupation	Designation	Other directorships
	Age: 77		
	Term: July 06, 2021 to February 22, 2026		
	Period of directorship: Since February 25, 2021		
	Occupation: Professional		
6.	Hetal Rajendra Kudecha Address: B/503-504, Chandra Prabh, Mamletdar Wadi Extension Road, Near Liberty Garden, Nahar Nagar, Malad West, Mumbai 400064, Maharashtra, India DIN: 09148116 Date of birth: December 19, 1978 Age: 43 Term: February 07, 2022 to February 06, 2027 Period of directorship: Since February 07, 2022 Occupation: Professional	Independent Director	<i>Indian Companies</i> • Discidium Solutions (OPC) Private Limited <i>Limited Liability Partnership</i> • Nil <i>Foreign Companies</i> • Nil

Confirmations

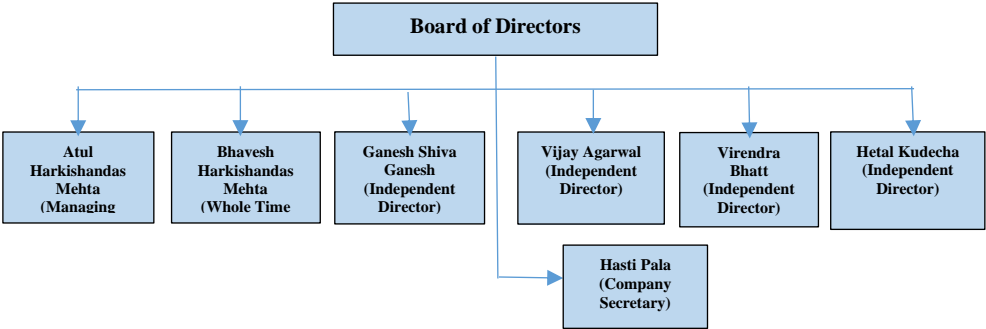
None of our Directors are/ or were a director of any listed company during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors are or were a director of any listed company during the last ten years immediately preceding the date of filing this Draft Letter of Offer, which has been, or was delisted from any stock exchange during the term of their directorship in such company.

Our Key Management Personnel and Senior Management Personnel:

No.	Name of key management personnel and senior management personnel	Designation	Associated with Company since
1.	Mr. Atul Harkishandas Mehta	Managing Director	May 26, 1995
2.	Ms. Hasti Pala	Company Secretary	March 29, 2022

Management Organization Structure



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENT

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BHOGILAL C. SHAH & CO.

CHARTERED ACCOUNTANTS

2A, Shree Pant Bhuvan, 1st floor, Sandhurst Bridge, Mumbai 400 007.
Phone : 2361 0939

PARTNERS :

SNEHAL V. SHAH

B. Com., F.C.A., M.M. (U.S.A.)

SURIL V. SHAH

B. Com., A.C.A., M.B.A. (U.S.A.)

Independent Auditor's Report on Audit on Annual Consolidated Financial Results and Review of Quarterly Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors of
Compuage Infocom Limited

Opinion and Conclusion

We have audited the consolidated financial results for the year ended 31st March, 2022, and reviewed the consolidated financial results for the quarter ended 31st March 2022, which were subject to limited review by us, both included in the accompanying Statement of Consolidated Financial Results for the quarter and year ended 31st March 2022 ("the financial results") of Compuage Infocom Ltd. ("the Parent") and its share of the net profit after tax and total comprehensive income of its subsidiary for the quarter and year ended 31st March 2022 being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial results for the year ended 31st March 2022 :

(i) include the results of the following entities :

Subsidiary

Compuage Infocom (S) Pte Ltd.

(ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

(ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive profit and other financial information of the Group for the year then ended.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended 31st March 2022

With respect to the consolidated financial results for the quarter ended 31st March 2022, based on our review conducted and procedures performed as stated in the Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the consolidated financial results for the quarter ended 31st March 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Consolidated Financial Results for the year ended 31st March 2022

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 Consolidated Financial Results" section below. We are independent of the Parent in

accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial results for the year ended 31st March 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial results.

Management's Responsibilities for the Financial Results

This Statement which includes the consolidated financial results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The consolidated financial results for the year ended 31st March 2022 have been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the consolidated financial results for the quarter and year ended 31st March 2022 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the parent including its subsidiary in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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 respective Board of Directors of the parent and of its subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Parent 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial results by the Directors of the parent as aforesaid.

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

The respective Board of Directors of the parent and of its subsidiary are also responsible for overseeing the financial reporting process of the parent and its subsidiary.

Auditor's Responsibilities for the Financial Results

(a) Audit of the Consolidated Financial Results for the year ended 31st March 2022

Our objectives are to obtain reasonable assurance about whether the consolidated financial results for the year ended 31st March 2022 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 annual 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Director's 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 parent and its subsidiary 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 parent and its subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual consolidated financial results, including the disclosures, and whether the annual consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the annual standalone financial information of its subsidiary to express an opinion on the annual consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of the parent included in the annual consolidated financial results of which we are the independent auditors. For the subsidiary included in the annual consolidated financial results, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried on by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard, are further described in the section titled "Other Matters" in this audit report.

Materiality is the magnitude of misstatements in the annual consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the annual consolidated financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the annual consolidated financial results.

We communicate with those charged with governance of the parent 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.

(b) Review of the Consolidated Financial Results for the quarter ended 31st March 2022

We conducted our review of the consolidated financial results for the quarter ended 31st March 2022 in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- (a) We have not audited the financial statements and other financial information of the subsidiary. The subsidiary accounts for total assets of Rs. 416.94 lakhs as at 31 March 2022, net loss of Rs. 2.13 lakhs for the year ended 31 March 2022.

These financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the annual standalone financial results, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- (b) The figures for the quarter ended 31st March 2022 as reported in the financial results are the balancing figures between audited figures in respect of the financial year ended 31st March 2022 and the published year to date figures up to the end of the third quarter of the relevant financial year which were subject to limited review by us. Our report on the financial results is not modified in respect of the above matter.



For Bhogilal C. Shah & Co.
Chartered Accountants
Firm's registration No. 101424W

Suril Shah
Partner
Membership No. 042710
UDIN : 22042710AJAQCD9401
Mumbai, May 16, 2022

Compuage Infocom Limited
Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note	31-Mar-22	31-Mar-21
A. ASSETS			
1. Non-current assets			
a) Property, plant and equipment	2	4,855.19	4,711.35
b) Intangible assets	2	0.65	0.74
c) Financial assets			
(i) Investments	3	82.32	98.12
(ii) Others financial assets	4	448.05	488.54
Total non-current assets		5,386.21	5,298.75
2. Current assets			
a) Inventories	5	43,697.63	31,938.80
b) Financial assets			
(i) Trade receivables	6	52,083.26	55,475.90
(ii) Cash and cash equivalents	7	510.05	782.36
(iii) Bank balances other than (ii) above	8	7,958.35	6,376.32
(iv) Loans	9	393.12	1,070.22
(v) Other financial assets	10	804.00	1,626.58
c) Current tax assets (net)	11	-	185.12
d) Other current assets	12	7,219.46	10,530.29
Total current assets		112,665.87	107,985.59
TOTAL ASSETS		118,052.08	113,284.34
B. EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	13	1,299.52	1,299.52
b) Other equity	14	23,473.00	20,927.93
Total equity		24,772.52	22,227.45
Liabilities			
1. Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	15	4,779.81	7,110.46
b) Provisions	16	206.91	184.57
c) Deferred tax liabilities (net)	17	421.77	387.78
Total non-current liabilities		5,408.49	7,682.81
2. Current liabilities			
a) Financial liabilities			
(i) Borrowings	18	46,101.28	50,655.43
(ii) Trade payables	19		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		33,970.80	24,373.60
(iii) Other financial liabilities	20	5,816.14	4,733.28
b) Other current liabilities	21	1,783.81	3,581.77
c) Provisions	22	30.00	30.00
d) Current tax liabilities (net)	17	169.04	-
Total current liabilities		87,871.07	83,374.08
Total liabilities		93,279.56	91,056.89
TOTAL EQUITY AND LIABILITIES		118,052.08	113,284.34
Significant accounting policies	1		

The above Balance Sheet should be read in conjunction with the accompanying Notes

As per our report of even date
For Bhogilal C. Shah & Co.
Firm Reg. No.: 101424W
Chartered Accountants

(CA. S. V. Shah)
Partner
Membership No. : 042710



For and Behalf of the Board Of Directors
of Compuage Infocom Limited

S. S Ganesh
Independent
Director
DIN: 00010877

Bhavesh H. Mehta
Whole Time
Director
DIN: 00740861

Atul H. Mehta
Chairman &
Director
DIN: 00716869



Place : Mumbai
Dated : May 16, 2022

Hastipala
Hasti Pala
Company Secretary

Compuage Infocom Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Lakh except EPS)

Particulars	Note	2021-22	2020-21
Revenue from operations	23	420,750.18	372,978.67
Other income	24	1,644.96	1,739.54
Total Income		422,395.14	374,718.21
Expenses			
Purchase of stock-in-trade	25	414,912.46	355,867.11
Changes in inventories of stock in trade	26	(11,758.83)	1,856.46
Employee benefits expense	27	3,476.85	3,485.37
Finance costs	28	7,442.99	6,294.71
Depreciation and amortisation expenses	2	340.69	359.31
Other expenses	29	4,316.90	4,065.99
Total Expenses		418,731.06	371,928.95
Profit before exceptional items and tax		3,664.08	2,789.26
Profit before tax		3,664.08	2,789.26
Tax expense			
Current tax	17	954.53	772.14
Tax for Earlier Years	17	-	-
Deferred tax	17	34.70	(51.03)
Total tax expense		989.23	721.11
Profit for the year		2,674.85	2,068.15
Other Comprehensive Income			
a) Items that will not be reclassified to profit and loss			
- Remeasurment of Defined Employee Benefit Plans		17.80	43.81
- Income Tax relating to above items		(4.48)	(11.02)
b) Items that will be reclassified to profit and loss			
- Foreign Currency Translation difference		(20.61)	65.81
- Income Tax relating to above items		5.19	(16.56)
Other Comprehensive Income, net of tax		(2.10)	82.04
Total Comprehensive Income for the year		2,672.75	2,150.19
Earnings per Equity share attributable to owners of the Company			
No. of shares		649.76	649.76
Basic and diluted earning per Equity share of ₹2 each		4.11	3.31

The above Statement of Profit and Loss should be read in conjunction with the accompanying Notes.

As per our report of even date

For Bhogilal C. Shah & Co.

Firm Reg. No.: 101424W

Chartered Accountants

(CA. S. V. Shah)

Partner



For and Behalf of the Board Of Directors

of Compuage Infocom Limited

G.S Ganesh
Independent
Director

Bhavesh H. Mehta
Whole Time
Director

Atul H. Mehta
Chairman &
Managing Director



Membership No. : 042710

DIN: 00010877

DIN: 00740861

DIN: 00716869

Place : Mumbai

Dated : May 16, 2022

Hastipala
Hasti Pala
Company Secretary

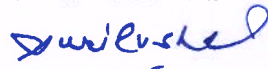
COMPUAGE INFOCOM LIMITED
Statement of Consolidated Cash Flows for the year ended March 31, 2022

		(₹ In Lakhs)	
	Particulars	March 31, 2022	March 31, 2021
A.	Cash Flows From Operating Activities		
	Profit before tax	3,664.08	2,789.26
	<u>Adjustment For:</u>		
	Depreciation and amortisation expenses	340.69	359.31
	Unrealised Exchange Rate Difference (Net)	(18.34)	65.02
	Finance costs	7,442.99	6,294.71
	Interest income from financial assets measured at amortised cost	(1,627.95)	(1,656.72)
	Loss / (Gain) on Sale of Property, Plant & Equipment	-	(1.65)
	Operating Profit Before Working Capital Changes	9,801.47	7,849.93
	Changes in working capital:		
	Decrease/(Increase) In Inventories	(11,758.83)	1,856.46
	Decrease/(Increase) In Trade Receivables	3,392.64	(50.13)
	Decrease/(Increase) In Current Loans	677.10	(563.76)
	Decrease/(Increase) In Other Current Assets	3,310.83	(839.41)
	Decrease/(Increase) In Other Financial Assets	822.58	(504.38)
	Increase /(Decrease) In Trade Payables	9,597.20	(14,887.38)
	Increase /(Decrease) In Other Financial Liabilities	1,082.86	1,379.87
	Increase /(Decrease) In Other Current Liabilities	(1,797.96)	104.16
	Increase /(Decrease) In Non Current provisions	40.14	43.50
	Total	5,366.56	(13,461.07)
	Income tax paid (net of refund)	(600.37)	(399.25)
	Net Cash Inflow/(Outflow) From Operating Activities (A)	14,567.66	(6,010.39)
B.	Cash Flows From Investing Activities		
	Purchase of Property, plant and equipment	(484.44)	(61.41)
	Sale of Property, plant and equipment	-	1.96
	Sale/(Purchase) of Non-Current Investments	15.80	(24.99)
	Proceeds from / (Payment of) fixed deposits	(1,541.54)	188.96
	Interest received on financial assets measured at amortised cost	1,627.95	1,656.72
	Net Cash Inflow/(Outflow) From Investing Activities (B)	(382.23)	1,761.24
C.	Cash Flows From Financing Activities		
	Proceeds from / (Repayment of) Current Borrowings	(4,554.15)	5,566.94
	Proceeds from / (Repayment of) Non Current Borrowings	(2,330.65)	4,974.33
	Interest Paid	(7,442.99)	(6,294.71)
	Dividend on Equity shares	(129.95)	(129.95)
	Net Cash Inflow/(Outflow) From Financing Activities (C)	(14,457.74)	4,116.61
	Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(272.31)	(132.54)
	Cash And Cash Equivalents as at beginning of the year	782.36	914.90
	Cash And Cash Equivalents as at end of the year	510.05	782.36

i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of

As per our report of even date

For Bhogilal C. Shah & Co.
Firm Reg. No.: 101424W
Chartered Accountants



(CA. S. V. Shah)
Partner

Membership No. : 042710



For and Behalf of the Board Of Directors
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G. S Ganesh
Director

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Bhavesh H. Mehta
Whole Time Director

DIN: 00740861



Atul H. Mehta
Chairman & Managing
Director

DIN: 00716869



Place : Mumbai
Dated : May 16, 2022


Hasti Pala
Company Secretary

Compuage Infocom Limited

Summary of Significant accounting policies to consolidated financial statements for the year ended 31st March 2022

Corporate Information

Compuage Infocom Limited (The Company) is a public Limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the BSE Ltd and NSE Ltd.

The Company is engaged in trading in Computer parts and peripherals, Software and Telecom Products. The Company also provides products support services for Information Technology products.

Group Overview

The Company and its subsidiary Company are referred to as the Group here under.

The group of companies are engaged in trading in Computer parts and peripherals, Software and Telecom Products.

Group Structure

Name of Company	Country of incorporation	% of shares held by the parent company	
		As at March 31, 2022	As at March 31, 2020
Compuage Infocom (S) Pte Ltd	Singapore	100%	100%

Note 1: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st March 2022

A.Significant Accounting Policies:

i).Basis of Preparation:

(a) Compliance with Ind AS

These consolidated financial statements are the separate consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended hereinafter referred to as the Ind AS, and other relevant provisions of the Companies Act, 2013.

The Consolidated financial statements up to the year ended March 31, 2020 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013, hereinafter referred to as the 'Previous GAAP'.

Group's financial statements are presented in Indian Rupees (₹), which is also its functional currency.



(b) Use of Estimates:

The preparation of consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(c) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

(d) Historical Cost Convention:

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the Periods presented in these consolidated financial statements.

Principles of consolidation and equity accounting:

i) Subsidiary companies:

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.



Non-controlling interest in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

ii) Associate companies:

Associate companies are all entities over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associate companies are accounted for using the equity method of accounting {see (iv) below}.

iii) Joint arrangements:

Under Ind AS 111 Joint arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interest only in one joint venture company.

Joint venture company

Interest in joint venture company are accounted for using the equity method {see (iv) below}.

iv) Equity method:

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize share of the Group in post-acquisition profit and loss of the investee in profit and loss, and share of the Group in Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associate company and joint venture company are recognized as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associate company and joint venture company are eliminated to the extent of the Group interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting Policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in (xiv) below

v) Changes in ownership interest :

The Group treats transactions with non-controlling interest that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying



amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amount previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss.

If the ownership interest in a joint venture company or an associate company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate

Group's consolidated financial statements are presented in Indian Rupees (₹), which is also its functional currency.

ii).Current/ Non-Current classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;
- ii. The asset is intended for sale or consumption;
- iii. The asset/liability is held primarily for the purpose of trading;
- iv. The asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. In the case of a liability, the group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

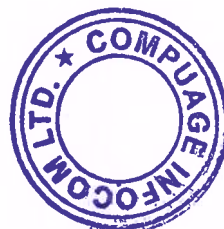
For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months.

iii).Tangible Assets /Property, plant and equipment:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.



Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

iv). Depreciation on tangible fixed assets:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and accordingly, accounted for prospectively.

v). Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life i.e. 3 years based on management assessment and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognised in the Statement of Profit and Loss.

vi). Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss.

vii). Impairment of non-financial assets – property plant and equipment and intangible assets:

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there are any indications of impairment based on internal / external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.



Goodwill, intangible assets having indefinite useful life and intangible assets currently not in use by the Group are tested for impairment annually and also whenever there are indicators of impairments.

Reversal of impairment of Goodwill is not recognized.

viii).Lease:

The Company as a Lessee

The Company's lease asset classes primarily consist of leases for office premises for its branches at various locations. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

As all the leases are short-term leases or low value leases, the Company has not recognized any right-of-use asset and corresponding lease liability for any of the lease arrangements in which it is a lessee during the year.

The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019. However, as all the leases are short-term leases or low value leases, the Company has not recognized any right-of-use asset and corresponding lease liability for any of the lease arrangements during the year.

ix).Borrowing costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowing to the extent they are regarded as an adjustment to the interest cost.

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



x).Revenue Recognition:

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Group in the ordinary course of its activities and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates by the Group.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Group, on its own account. Amounts collected on behalf of third parties such as Sales Tax, VAT and GST are excluded from revenue.

The Group bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement. Accumulated experience is used to estimate and provide for discounts and returns. No element of financing is deemed present as sales are made with a credit term which is consistent to market practice.

Sale of products:

Revenue from sale of products is recognized when the Group transfers all significant risks and rewards of ownership to the buyer, while the Group retains neither continuing managerial involvement nor effective control over the products sold.

Rendering of services:

Revenue from product support services are recognized once the service is provided and the invoice is raised and are net of applicable taxes.

Interest:

Interest income from debt instruments is recognised using the effective interest rate method.

Dividend:

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

xi).Foreign Currency Transactions /translations:

Functional and presentation Currency:

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the Group operates (functional currency). The Financial statements of the Group are presented in Indian Currency, which is also the functional currency of the Group.

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the



functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Foreign exchange gain or loss resulting from the settlement of such transactions and from translation of monetary assets or liability denominated in foreign currencies at the year-end exchange rate are generally recognized in the profit and loss account except that they are deferred in equity if they relate to qualifying cash flow hedges.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Other Comprehensive Income.

xii).Derivative financial instruments and hedge accounting:

The Group enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost.

The Group is not following hedge accounting. Consequently all derivative instruments are recognised and measured at Fair Value through Profit and Loss.

xiii).Inventories:

(a) Stock of goods traded is valued at lower of cost and net realizable value. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The costs are determined on a weighted average basis.

(b) Saleable scrap is accounted for as and when sold.

xiv).Investments and other financial assets:

Classification:

The Group classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through Profit or Loss), and
- ii) Those measured at amortised cost.



The classification depends on the business model of the entity for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Profit or Loss or Other Comprehensive Income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income (OCI)

Initial recognition and measurement:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement:

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through Profit or Loss (FTVPL)} or,
- ii) Amortised cost.

Debt instruments:

Subsequent measurement of debt instruments depends on the business model of the Group for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain / (loss) previously recognized in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.



Measured at Fair Value Through Profit or Loss: (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FTVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Group subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Group has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in Subsidiary Companies, Associate Companies and Joint Venture companies:

Investments in Subsidiary Companies, Associate Companies and Joint Venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in Subsidiary Companies, Associate Companies and Joint Venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Impairment of financial assets:

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance.
- ii) Trade Receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

De-recognition:

A financial asset is de-recognized only when the Group

- i) has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.



Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liabilities:

i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

xv).Retirement and other employee benefits:

Short term employee benefits:

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex gratia, medical benefits etc. are recognized in the year in which the employees render the related service and are presented as current employee benefit obligations within the balance sheet.

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to provident fund, Employees State Insurance Corporation, National Pension Scheme are charged as an expense to the statement of profit and loss on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are



classified as defined contribution schemes as the Group has no further defined obligations beyond the monthly contributions.

The Liability or Asset, is recognized in the Balance sheet in respect of Gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method (PUCM).

xvi).Income Taxes:

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognized if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit / (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in equity, respectively.

xvii).Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term deposits (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

xviii).Segment reporting:

The Group operates only in one reportable segment.



xix).Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity share outstanding during the period.

For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

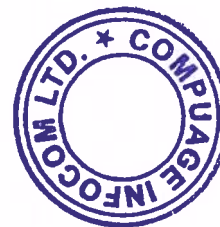
xx). Provisions and contingent liabilities:

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.



Compuage Infocom Limited

Statement of Changes in Equity for the year ended March 31, 2022
(₹ in Lakh unless otherwise stated)

A. Equity Share Capital

Particulars	Note	Amount
As at April 01, 2020	13	1,299.52
Changes in Equity share capital during the year		-
As at March 31, 2021	13	1,299.52
Changes in Equity share capital during the year		-
As at March 31, 2022	13	1,299.52

B. Other Equity

Particulars	Reserves and Surplus					Other Reserves		Total other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	FVOCI equity instruments	Foreign currency translation reserve	
As at April 01, 2021	3,668.80	35.36	134.84	129.72	16,985.73	-	(26.52)	20,927.93
Profit for the year	-	-	-	-	2,674.85	-	2.27	2,677.12
Other Comprehensive Income	-	-	-	-	(2.10)	-	-	(2.10)
Total comprehensive income for the year	-	-	-	-	2,672.75	-	2.27	2,675.02
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	-	-	-	-	(129.95)	-	-	(129.95)
As at March 31, 2022	3,668.80	35.36	134.84	129.72	19,528.53	-	(24.25)	23,473.00

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh unless otherwise stated)

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Buildings	IT Equipment	Vehicles	Office Equipment	Furniture and Fixture	Total Property, plant and equipment	Intangible Assets
Gross carrying amount							
As at April 1st, 2021	4,291.62	1,845.38	117.29	797.83	1,611.72	8,663.84	11.99
Additions	-	468.07	-	12.47	3.90	484.44	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	4,291.62	2,313.45	117.29	810.30	1,615.62	9,148.28	11.99
Depreciation Amortisation							
As at March 31, 2021	327.87	1,745.49	84.58	633.05	1,161.50	3,952.49	11.25
Charge For the year	75.39	68.28	6.76	61.82	128.35	340.60	0.09
Disposals	-	-	-	-	-	-	-
upto March 31, 2022	403.26	1,813.77	91.34	694.87	1,289.85	4,293.09	11.34
Net carrying amount							
As at 31-03-2021	3,963.75	99.89	32.71	164.78	450.22	4,711.35	0.74
As at 31-03-2022	3,888.36	499.68	25.95	115.43	325.77	4,855.19	0.65

1. The company has hypothecated Buildings to avail the Loan from the Bank.



NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh unless otherwise stated)

NOTE 3 : Non Current Investments

Particlurs	As at March 31, 2022	As at March 31, 2021
a) Investment in equity instruments of Other Company measured at FVTPL - Unquoted 274416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of ₹30 Each. (Previous year: 327083, Equity Shares).	82.32	98.12
Total	82.32	98.12

NOTE 4 : Other Non Current Financial Assets

Particlurs	As at March 31, 2022	As at March 31, 2021
Fixed Deposits with Banks, with maturity beyond 12 months	448.05	488.54
Total	448.05	488.54

NOTE 5 : Inventories

Particlurs	As at March 31, 2022	As at March 31, 2021
Stock in trade	43,697.63	31,938.80
Total	43,697.63	31,938.80

NOTE 6 : Trade Receivables

Particlurs	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	52,083.26	55,475.90
Total	52,083.26	55,475.90

NOTE 7 : Cash and Cash Equivalents

Particlurs	As at March 31, 2022	As at March 31, 2021
Bank balances		
In current accounts	434.22	311.43
In unpaid dividend accounts	19.34	20.15
Cheques on hand	-	265.00
Cash on hand	14.54	6.44
Fixed deposits with original maturity less than 3 months	41.95	179.34
Total	510.05	782.36



NOTE 8 : Other Bank Balances

Particlualars	As at March 31, 2022	As at March 31, 2021
Fixed deposits with remaining maturity less than 12 months	7,958.35	6,376.32
Total	7,958.35	6,376.32

NOTE 9 : Current Loans

Particlualars	As at March 31, 2022	As at March 31, 2021
Security deposits	370.99	499.20
Loans to employees	22.13	571.02
Total	393.12	1,070.22

NOTE 10 : Other Current Financial Assets

Particlualars	As at March 31, 2022	As at March 31, 2021
Fixed deposits other than Banks	735.00	670.00
Interest accrued	69.00	956.58
Total	804.00	1,626.58

NOTE 11 : Current Tax Assets (Net)

Particlualars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provisions)	-	185.12
Total	-	185.12

NOTE 12 : Other Current Assets

Particlualars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	478.10	1,103.88
Advances to staffs	1.65	146.86
Advances to supplier	-	1,278.73
Balances with Government authorities	6,739.71	8,000.82
Total	7,219.46	10,530.29



NOTE 13 : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
9,62,70,000 Equity shares of ₹2.00 each	1,925.40	1,925.40
46,65,600 Preference shares of ₹0.10 (Ten paise) each	4.67	4.67
1,10,00,000 Preference shares of ₹10.00 each	1,100.00	1,100.00
Total	3,030.07	3,030.07
Issued, subscribed and fully paid-up		
6,49,75,806 Equity shares of ₹2.00 each fully paid	1,299.52	1,299.52
Total	1,299.52	1,299.52

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. in lakh	₹ In lakh	No. in lakh	₹ In lakh
At the beginning of the Period	649.76	1,299.52	649.76	1,299.52
Add : Preferential allotment	-	-	-	-
Outstanding at the end of the period	649.76	1,299.52	649.76	1,299.52

Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of ₹2.00 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by shareholders.

The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2022, the amount of per share final dividend proposed as distribution to the Equity Shareholders is ₹0.20 per share (31st March 2021 : ₹0.20 per share)

c) Details of Shareholders holding more than 5% of Equity shares:

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Holding %	No. in lakh	Holding %	No. in lakh
1. Atul Harkishandas Mehta	23.02%	149.54	23.02%	149.54
2. Bhavesh Harkishandas Mehta	23.02%	149.54	23.02%	149.54
3. Ajay Harkishandas Mehta	12.30%	79.94	12.30%	79.94

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh unless otherwise stated)

NOTE 14 : OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
a) Capital reserve	134.84	134.84
b) Capital redemption reserve	129.72	129.72
c) Securities premium reserve	3,668.80	3,668.80
d) General reserve	35.36	35.36
e) Foreign Currency Translation Reserve		
i) Exchange difference in translating the financial of a foreign operation		
Balance at the beginning of the year	(26.52)	(25.73)
Add : Changes in foreign currency translation reserve	2.27	(0.79)
Balance at the end of the year	(24.25)	(26.52)
f) Retained Earnings		
Balance at the beginning of the year	16,985.73	14,965.49
Add: Profit for the year	2,674.85	2,068.15
Add: Add Other Comprehensive Income	(2.10)	82.04
Less: Dividend on Equity shares	(129.95)	(129.95)
Balance as at the end of the year	19,528.53	16,985.73
Total	23,473.00	20,927.93



NOTE 15 : Non Current Borrowings

Particulars	As at 31-03-2022	As at 31-03-2021
Term loans from banks, secured	4,136.71	4,481.94
Term loans from others, unsecured	643.10	1,628.52
9% Cumulative Non Convertible Redeemable Preference Shares	-	1,000.00
Total	4,779.81	7,110.46
Term loan from Indian Bank (secured by hypothecation of office premises) carried interest of 11.15% pa and was repayable in 20 equal quarterly installments of 125 lakh each along with interest. The Term loan has been fully repaid and balance as on 31st March 2022 is nil.		
Cumulative Non Convertible Redeemable Preference Shares carried Interest of 9% (Effective Rate 10.85%) and were redeemable on the expiry of 96 months of Deemed Date of Allotment or one month from the time of exercise of put option. Put option could be exercised any time after the end of 24 months from the deemed date of allotment. Put option has been exercised during the year and balance as on 31st March 2022 is nil.		
The company has not defaulted on repayment of loans and interest during the year.		

NOTE 16 : Non Current Provisions

Particulars	As at 31-03-2022	As at 31-03-2021
Provision for gratuity	206.91	184.57
Total	206.91	184.57

NOTE 17:- CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2022, March 31, 2021 are:

a) Income tax expense

Particulars	As at 31-03-2022	As at 31-03-2021
i) Current tax		
Current tax on profits for the year	954.53	772.14
Adjustments for current tax of prior period	-	-
Total current tax expense	954.53	772.14
ii) Deferred tax		
(Decrease) Increase in deferred tax liabilities	34.70	(51.03)
Decrease (Increase) in deferred tax assets	-	-
Total deferred tax expense (benefit)	34.70	(51.03)
Income tax expense	989.23	721.11

b) The Statutory income tax rate applied for computing current tax & for Deferred Tax @ 25.168 % as applicable to the Company.

c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.

d) Current tax liabilities (net)

Particulars	As at 31-03-2022	As at 31-03-2021
Provision for tax (net of taxes paid)	169.04	-
Total	169.04	-

e) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

Particulars	As at 31-03-2022	(Charged) Credited	As at 31-03-2021	(Charged) Credited
Property, plant and equipment & Intangible assets p&l	466.52	35.12	431.40	(50.85)
Fair valuation of term loan p&l	-	(0.42)	0.42	(0.18)
Remeasurment of Defined Employee Benefit Plans-OCI	22.30	4.48	17.82	11.02
Foreign Currency Translation difference-OCI	(67.05)	(5.19)	(61.86)	16.56
Net deferred tax (asset) liability	421.77	33.99	387.78	(23.45)



NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh unless otherwise stated)

NOTE 18 : Current Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Cash credit from banks	29,758.31	37,190.52
Unsecured		
Loan from related parties	4,132.40	4,177.65
Loan from others	12,210.57	9,221.26
Deposits	-	66.00
Total	46,101.28	50,655.43

NOTE 19 : Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	33,970.80	24,373.60
Total	33,970.80	24,373.60

NOTE 20 : Other Current Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of long term liabilities	4,498.12	3,220.83
Unpaid dividends	19.34	20.15
Unclaimed Deposits	127.50	61.50
Security Deposits	10.00	-
Other payables	1,161.18	1,430.80
Total	5,816.14	4,733.28

NOTE 21 : Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues	923.56	1,751.19
Advances from customers	860.25	1,830.58
Total	1,783.81	3,581.77

NOTE 22 : Current Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	30.00	30.00
Total	30.00	30.00



NOTES TO THE FINANCIAL STATEMENTS
(₹ in Lakh unless otherwise stated)

NOTE 23 : REVENUE FROM OPERATIONS

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Sale of Products Computer Components & Others	419,516.50	372,102.11
Total (a)	419,516.50	372,102.11
(b) Sale of services Product support services	1,233.68	876.56
Total (b)	1,233.68	876.56
Total	420,750.18	372,978.67

NOTE 24 : OTHER INCOME

Particulars	As at March 31, 2022	As at March 31, 2021
Interest from bank deposits	374.15	401.09
Interest from others	1,253.80	1,255.63
Net exchange rate difference - gain	-	57.66
Rent Income	14.28	-
Miscellaneous income	2.73	25.16
Total	1,644.96	1,739.54

NOTE 25 : PURCHASE OF STOCK-IN-TRADE

Particulars	As at March 31, 2022	As at March 31, 2021
Computer Components & Others	414,912.46	355,867.11
Total	414,912.46	355,867.11

NOTE 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Stocks at the end of the year Stock-in-trade	43,697.63	31,938.80
Total (a)	43,697.63	31,938.80
Less : (b) Stocks at beginning of the year Stock-in-trade	31,938.80	33,795.26
Total (b)	31,938.80	33,795.26
(Increase) Decrease in stocks	(11,758.83)	1,856.46

NOTE 27 : EMPLOYEE BENEFIT EXPENSES

Particulars	As at March 31, 2022	As at March 31, 2021
Salaries, wages and bonus	3,298.95	3,284.80
Contribution to provident and other funds	71.33	59.94
Gratuity	58.13	61.11
Staff welfare	48.44	79.52
Total	3,476.85	3,485.37

NOTE 28 : FINANCE COSTS

Particulars	As at March 31, 2022	As at March 31, 2021
Interest on borrowings (at amortised cost)	7,410.19	6,186.21
Interest on Preference Shares	32.80	108.50
Total	7,442.99	6,294.71



NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh unless otherwise stated)

NOTE 29 : OTHER EXPENSES

Particulars	As at March 31, 2022	As at March 31, 2021
Rent and compensation	709.63	667.6
Power & fuel	34.29	79.6
Rates and taxes	47.75	20.6
Insurance	354.65	221.6
Payments to the statutory auditors:		
a) Audit fees	20.42	15.0
b) Tax matters	2.00	2.00
c) Other matters	1.50	1.50
Expenditure on Corporate Social Responsibility	65.85	82.02
Net exchange rate difference - loss	48.15	-
Miscellaneous expenses	3,032.66	2,975.8
Total	4,316.90	4,065.9

NOTE 30:- CONTINGENT LIABILITIES

The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as follows:

Particulars	As at 31-03-2022	As at 31-03-2021
<u>Claims against the Company not acknowledged as debts</u>		
Disputed demands in respect of VAT/Custom Duty		
(Based on legal opinion, the Company does not feel any liability will arise and hence no provision has been made in the accounts.)	1,202.44	1,035.76

The Company does not envisage any likely reimbursements in respect of the above.

The above matters are currently being considered by the tax authorities and the Company expects the judgment will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement | decision pending with tax authorities. The potential undiscounted amount of total payments for taxes that the Company could be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as illustrated above.



NOTE 31:- EMPLOYEE BENEFIT OBLIGATIONS**Funded Scheme****a) Defined Benefit Plans:****Gratuity**

The Company operates a gratuity plan through the Life Insurance Corporation of India'. Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The actuarial valuation of plan assets and the present value of the defined benefit obligation for the Gratuity was carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

Based on the actuarial valuation obtained in respect, the following table sets out the status of the gratuity plan and the amounts recognised in the companies financial statements as at the balance sheet date:

(Rs.in Lakhs)

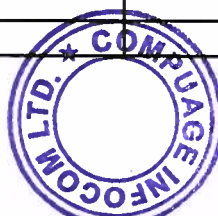
A) Amount Recognized in Statement of Financial Position at Period-End	As at March 31, 2022	As at March 31, 2021
Present Value of Funded Defined Benefit Obligation	248.51	230.16
Fair value of Plan Assets	(11.60)	(15.59)
Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position	236.91	214.57

B) Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End	As at March 31, 2022	As at March 31, 2021
Service Cost	41.16	44.61
Interest Cost on DBO (A)	18.92	18.48
Interest Income Plan Assets (B)	(1.95)	(1.98)
Net Interest Cost (A) + (B)	16.97	16.50
Past Service Cost	-	-
Total Defined Benefit Cost/(Income) included in Profit & Loss	58.13	61.11

C) Current / Non-Current Bifurcation	As at March 31, 2022	As at March 31, 2021
Current Liability	30.00	30.00
Non-Current Liability	206.91	184.57
(Asset)/Liability Recognised in the Balance Sheet	236.91	214.57

D) Actual Return on Plan Assets	As at March 31, 2022	As at March 31, 2021
Interest Income on Plan Assets	1.95	1.98
Remeasurements on Plan Assets	(5.85)	(2.32)
Actual Return on Plan Assets	(3.90)	(0.34)

E) Analysis of Amounts Recognized in Other Comprehensive (Income) / Loss at Period-End	As at March 31, 2022	As at March 31, 2021
Amount recognized in OCI - Beginning of the period	(70.81)	(27.00)
Remeasurements due to :		
Effect of change in financial assumptions (A)	(11.01)	(8.73)
Effect of experience adjustments (B)	(12.64)	(37.40)
Actuarial (Gains) / Losses (A) + (B)	(23.65)	(46.13)
Return on Plan Assets (excluding interest)	5.85	2.32
Total remeasurements recognized in OCI	(17.80)	(43.81)
Amount recognized in OCI - End of the period	(88.61)	(70.81)



F) Total Defined Benefit Cost / (Income) included in Profit & Loss and Other Comprehensive Income	As at March 31, 2022	As at March 31, 2021
Amount recognized in Profit & Loss, End of Period	58.13	61.11
Amount recognized in OCI, End of Period	(17.80)	(43.81)
(Asset)/Liability Recognised in the Balance Sheet	40.33	17.30

G) Change in Defined Benefit Obligation during the Period	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation, Beginning of the Period	230.16	231.41
Net Current Service Cost	41.16	44.61
Interest Cost on DBO	18.92	18.48
Actuarial (Gains) / Losses	(23.64)	(46.14)
Benefits Paid	(18.10)	(18.20)
Defined Benefit Obligation, End of Period	248.50	230.16

H) Change in Fair value of Plan Assets during the Period	As at March 31, 2022	As at March 31, 2021
Fair Value of Plan Assets, Beginning of the Period	15.60	16.53
Interest Income Plan Assets	1.95	1.98
Actual Company Contributions	18.00	17.61
Actuarial Gains / (Losses)	(5.85)	(2.32)
Benefits Paid	(18.10)	(18.20)
Fair value of Plan Assets, End of Period	11.60	15.60

I) Reconciliation of Balance Sheet Amount	As at March 31, 2022	As at March 31, 2021
Balance Sheet (Asset) / Liability, Beginning of the Period	214.57	214.88
Total Charge/(Credit) Recognised in Profit and Loss	58.13	61.11
Total Remeasurements Recognized in Other Comprehensive (Income) / Loss	(17.80)	(43.81)
Employer Contributions	(18.00)	(17.61)
Balance Sheet (Asset)/Liability, End of Period	236.90	214.57

J) Financial Assumptions Used to Determine the Defined Benefit Obligation	As at March 31, 2022	As at March 31, 2021
Discount Rate	7.50%	7.05%
Salary Escalation Rate	5.00%	5.00%

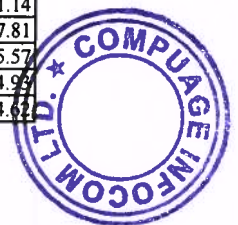
K) Financial Assumptions Used to Determine the Profit & Loss Charge	As at March 31, 2022	As at March 31, 2021
Discount Rate	7.05%	6.75%
Salary Escalation Rate	5.00%	5.00%
Expected Return on Plan Assets	7.05%	6.75%

L) Demographic Assumptions Used to Determine the Defined Benefit Obligation	As at March 31, 2022	As at March 31, 2021
Withdrawal Rate:		
Upto age 30	3.00%	3.00%
Age 31 to 40	2.00%	2.00%
Above Age 40	1.00%	1.00%
Mortality Rate	IALM (2012-14)	IALM (2012-14)
Retirement Age	58 years	58 years

M) Asset Category	As at March 31, 2022	As at March 31, 2021
Insurer Managed Funds	11.60	15.60
Total	11.60	15.60

J) Expected cashflows for the next 10 years	As at March 31, 2022	As at March 31, 2021
Year-2020	-	-
Year-2021	-	-
Year-2022	-	5.85
Year-2023	52.53	4.57
Year-2024	17.97	18.46
Year-2025	4.37	5.23
Year-2026	4.61	5.73
Year-2027	9.94	-
Year-2027 to 2031	-	94.37
Year-2028 to 2032	85.08	-

K) Defined Benefit Obligation - Sensitivity Analysis	As at March 31, 2022	As at March 31, 2021
Discount Rate + 100 basis points	226.83	204.07
Discount Rate - 100 basis points	274.18	261.14
Salary Escalation Rate + 100 basis points	272.05	257.81
Salary Escalation Rate - 100 basis points	227.63	205.57
Attrition Rate + 100 basis points	253.50	234.99
Attrition Rate - 100 basis points	242.75	224.62



NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in Rs. in Lakh unless otherwise stated)

Note 32**Segment Reporting**

The Company operates only in one reportable segment.

Note 33**Lease arrangements**

The Company procures office premises for its branches under operating lease agreements that are renewable on a periodic basis at the option of both lessor and lessee. The initial tenure of the lease is below 12 months. The lease rentals recognised in the Statement of Profit and Loss for the year are Rs.709.63 lakh (previous year Rs.667.64 lakh). The contingent rent recognised in the Statement of Profit and Loss for the year is Rs.nil (previous year Rs.nil).

NOTE 34- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE

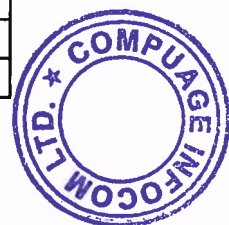
Particulars	2021-22	2020-21
Face value of equity share (in Rs.)	2.00	2.00
Weighted average number of equity shares outstanding (in Nos)	64,975,806	64,975,806
Profit for the year (Rs. in Lakh)	2,672.75	2,150.19
Weighted average earnings per share (basic and diluted) (in Rs.)	4.11	3.31

NOTE 35 Capital management**Risk Management**

The primary objective of Capital Management of the Company is to maximise Shareholder value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of Capital Management, the Company considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt less cash and cash equivalents & other Bank balances.

Particulars	As at 31/03/2022	As at 31/03/2021
Total debt	50,881.09	57,765.89
Less: Cash and cash equivalents & Other Bank balances	8,468.40	7,158.68
Net Debt	42,412.69	50,607.21
Total equity	24,772.52	22,227.45
Debt-Equity ratio	1.71	2.28



NOTE 36 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. Relationships –

Category I:

Subsidiaries:

Compugame Infocom (S) Pte Ltd

Category II: Jointly Controlled Entity: NA

Category III:

Key Management Personnel (KMP)

Atul H.Mehta	Executive Director
Bhavesh H Mehta	Executive Director
Sunil Mehta (Resigned w.e.f. 28-02-2022)	Chief Financial Officer
Ruchita Shah (Resigned w.e.f. 23-07-2020)	Company Secretary
Anmol Jolly (w.e.f. 01-10-2020 to 27-03-2022)	Company Secretary
Hasti Pala (w.e.f. 29-03-2022)	Company Secretary

Non-Executive Directors

G.S. Ganesh
Vijay Agarwal
Fatima Hussain
Hetul Kudecha (w.e.f. 07-02-2022)
Virendra Bhatt (w.e.f. 25-02-2021)

Category IV:

Others (Close family member of KMP and Entities in which the KMP or close family member of KMP have significant influence)

Bhavesh M. Mehta	Brother of Sunil Mehta
Falguni A. Mehta	Wife of Atul H. Mehta
Forum B. Mehta	Wife of Bhavesh H. Mehta
Ajay H. Mehta	Brother of Atul H. Mehta and Bhavesh H. Mehta
Nisha S. Mehta	Wife of Sunil Mehta
Sunil M. Mehta HUF	HUF of Sunil Mehta
Trillizo Holdings Ltd.	Entity in which close family member of KMP has significant influence
Pristine Care Products Pvt. Ltd.	Entity in which close family member of KMP has significant influence

Transactions with the related parties:

Particulars of transactions	For the year ended 31/03/2022	For the year ended 31/03/2021
Interest Paid to:		
Atul H.Mehta	29.21	18.84
Bhavesh H.Mehta	46.79	49.21
Bhavesh M. Mehta	-	1.04
Falguni A. Mehta	3.85	3.50
Forum B. Mehta	5.81	5.30
Ajay H. Mehta	16.38	11.91
Nisha S. Mehta	0.02	0.07
Sunil M. Mehta HUF	0.21	0.91
Sunil M. Mehta	0.54	0.28
Remuneration Paid to:		
Atul H.Mehta	120.00	120.00
Bhavesh H.Mehta	120.00	120.00
Ruchita Shah (Resigned w.e.f. 23-07- 2020)	-	1.53
Anmol Jolly (w.e.f. 01-10-2020 to 28-03-2022)	8.12	2.35
Sunil Mehta (Resigned w.e.f. 28-02-2022)	71.99	65.44
Hasti Pala (w.e.f. 29-03-2022)	0.05	-
Sitting Fees to Non-Executive Directors		
Vijay Agarwal	6.00	8.00
Fatima Nasab	5.00	8.00
Virendra Bhatt (w.e.f. 25-02-2021)	7.00	1.00
Hetal Kudecha (w.e.f. 07-02-2022)	2.00	-
Rent Paid to:		
Trillizo Holdings Ltd.	15.00	18.75
Printing & Stationery Paid to:		
Pristine Care Products Pvt. Ltd.	0.53	6.77
Sale of IPR received from:		
Pristine Care Products Pvt. Ltd.	-	1.20

Balances due from/to the related parties:

Particulars of transactions	As at 31/03/2022	As at 31/03/2021
Outstanding receivables:		
Trillizo Holdings Ltd.	138.00	138.00
Pristine Care Products Pvt. Ltd.	75.75	75.75

Outstanding payables:

Atul H.Mehta	1,496.53	1,344.53
Bhavesh H.Mehta	1,371.16	1,676.16
Compugame Infocom (S) Pte Ltd	200.01	194.46
Sunil Mehta	-	28.25
Falguni A. Mehta	44.56	42.56
Forum B. Mehta	67.23	64.23
Ajay H. Mehta	1,152.92	1,021.92



NOTE 37: Outstanding dues of micro enterprise and small enterprise

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE 38:
Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2022 is **₹17654.65 Lakh** (Previous year ₹ 23,521 Lakh).

NOTE 39: Foreign Currency transactions**Expenditure in Foreign currency:**

Particular	Current Period	₹ in lakh)
		Previous Period
Travelling	2.37	-
Mercantile Trade Purchase	-	10,681.92

Earnings in Foreign Currency

Particular	Current Period	Previous Period
Mercantile Trade Sale	-	10,788.74



MATERIAL DEVELOPMENTS

No material developments have occurred since the date of the last financial statements i.e., March 31, 2022 which materially or adversely affect or are likely to affect the profitability of the Company or the value of its assets or its ability to pay its liabilities within the next 12 months.

ACCOUNTING RATIO

Unless context requires otherwise, the following tables present certain accounting and other ratios derived from the relevant Audited Consolidated Financial Statements, as applicable.

Particulars	As at and for the year ended March 31		
	2022	2021	2020
Basic earnings per share (₹) (for continued operations)	4.11	3.31	4.37
Diluted earnings per share (₹) (for continued operations)	4.11	3.31	4.37
Return on Net Worth (%)	10.80	9.30	15.09
Net Asset Value per Equity Share (₹)	38.12	34.21	31.10
EBITDA (₹ in lakhs)	11,447.76	9,443.28	10,499.25

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

Basic earnings per share (from continued operations)	Net Profit after Tax as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from continued operations, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share (from continued operations)	Net Profit after Tax as per consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from continued operations, as applicable/ Weighted Average number of Equity Shares (including convertible securities).
Basic earnings per share (from discontinued operations)	Net Profit after Tax as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from discontinued operations, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share (from discontinued operations)	Net Profit after Tax as per consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from discontinued operations, as applicable/ Weighted Average number of Equity Shares (including convertible securities).
Return on net worth(in %)	Profit for the period / year as per consolidated Statement of Profit and Loss attributable to Equity Shareholders from continued operations and discontinued operations attributable to Equity Holders of the Parent (prior to other comprehensive income)/ Net worth at the end of the period / year on consolidated basis.
Net asset value per Equity Share	Net Worth on consolidated basis divided by the number of Equity Shares outstanding for the year.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation and exceptional items (if any) from continued operations and discontinued operations as presented in the consolidated statement of profit and loss.

Calculation of Return of Net Worth

(In ₹ lakhs, unless otherwise specified)

Particulars	As at and for the year ended March 31		
	2022	2021	2020
Net Profit after Tax from continued operations and discontinued operations attributable to Equity Holders of the Parent (before OCI) (A)	2,688.17	2,100.94	3,050.00
Net Worth (B) [#]	24,772.52	22,227.45	20,208.00
Return of Net Worth (A/B) (%)	10.85	9.45	15.09

^{*}not annualized

[#]Based on net worth allocated to owners of equity

Calculation of Net asset value per Equity Share*(In ₹ lakhs, unless otherwise specified)*

Particulars	As at and for the year ended March 31		
	2022	2021	2020
Net Worth (A) (₹ in lakhs)	24,772.52	22,227.45	20,208.00
No. of Shares (B) (in numbers)	6,49,75,806	6,49,75,806	64975806
Net Assets Value (A x 100,000) / B	38.12	34.21	31.10

Calculation of EBITDA*(In ₹ lakhs, unless otherwise specified)*

Particulars	As at and for the year ended March 31		
	2022	2021	2020
Net Profit / (Loss) after Tax	2,674.85	2,068.15	3,050.95
Add: Taxes	989.23	721.11	944.18
Add: Interest	7,442.99	6,294.71	6,085.07
Add: Depreciation	340.69	359.31	419.05
EBITDA	11,447.76	9,443.28	10,499.25

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

RESULTS OF OUR OPERATIONS

The following table sets forth select financial data from our Audited Financial Statements for the financial year ended March 31, 2022 compared to the financial year ended March 31, 2021.

(₹ in lakhs)				
Particulars	As at and for the year ended March 31, 2022	% of Total Income	As at and for the year ended March 31, 2021	% of Total Income
Income from operations				
Revenue from operations	4,20,750.18	99.61	3,72,978.67	99.54
Other income	1,644.96	0.39	1,739.54	0.46
Total income	4,22,395.14	100.00	3,74,718.21	100.00
Expenses				
Cost of Goods Sold	4,03,153.63	95.44	3,57,723.57	95.46
Employee Benefit expense	3,476.85	0.82	3,485.37	0.93
Finance costs	7,442.99	1.76	6,294.71	1.68
Depreciation and amortization expense	340.69	0.08	359.31	0.10
Other Expenses	4,316.90	1.02	4,065.99	1.09
Total expenses	4,18,731.06	99.13	3,71,928.95	99.26
Profit/ (Loss) before tax	3,664.08	0.87	2,789.25	0.74
Tax expenses				
Current tax (including tax adjustment of earlier year)	954.53	0.23	772.14	0.21
Deferred tax / (reversal)	34.70	0.01	(51.03)	0.02
Total tax expenses	989.23	0.23	721.11	0.19
Profit/ (loss) after tax	2,674.85	0.63	2,068.14	0.55
Other Comprehensive Income net of tax	(2.10)	0.00	82.04	0.02
Profit for the year	2,672.75	0.63	2,150.19	0.57

Total Income from Operations

Our total income from operation for the Fiscal 2022 was ₹4,22,395.14 lakhs as compared to ₹3,74,718.21 lakhs for the Fiscal 2021, representing an increase of 12.72% due to receding pandemic & opening up of economy.

Income from operations

Our income from operations for the Fiscal 2022 was ₹4,20,750.18 lakhs as compared to ₹3,72,978.67 lakhs for the Fiscal 2021, representing Increase of 12.81% due to receding pandemic & opening up of economy.

Other income

Other income for the Fiscal 2022 was ₹1,644.96 lakhs as compared to ₹1,739.54 lakhs for the Fiscal 2021, representing marginal decrease of 5.43%.

Expenses

Our total expense for the Fiscal 2022 was ₹4,18,731.06 lakhs as compared to ₹3,71,928.95 lakhs for the Fiscal 2021, representing increase of 12.58% due to corresponding increase in income from operations.

Total expenses comprises of:

Cost of Goods Sold

The cost of goods sold for the Fiscal 2022 was ₹4,03,153.63 lakhs as compared to ₹3,57,723.57 lakhs for the Fiscal 2021, representing increase of 12.70%, due to corresponding increase in income from operations.

Employee benefit expenses

Employee benefit expense for the Fiscal 2022 was ₹3,476.85 lakhs as compared to ₹3,485.37 lakhs for the Fiscal 2021, representing marginal decrease of 0.24%.

Finance cost

Finance cost for the Fiscal 2022 was ₹7,442.99 lakhs as compared to ₹6,294.71 lakhs for the Fiscal 2021, representing an increase of 18.24% due to increase in working capital cycle.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2022 was ₹340.69 lakhs as compared to ₹359.31 lakhs for the Fiscal 2021, representing a decrease of 5.18%.

Other expenses

Other expenses for the Fiscal 2022 were ₹4,316.90 lakhs as compared to ₹4,065.99 lakhs for the Fiscal 2021, marginal increase of 6.17%.

Profit/ (Loss) before tax from continuing operations

The profit/(loss) before tax for the Fiscal 2022 was ₹3,664.08 lakhs as compared to ₹2,789.25 lakhs for the Fiscal 2020.

Tax expenses

Total tax expense for the Fiscal 2022 was ₹989.23 lakhs as compared to ₹721.11 lakhs for the Fiscal 2021.

Net profit/ (loss) after tax

As a result of the aforesaid, our Company's net profit from continuing operations for Fiscal 2022 was ₹2,674.85 Lakhs as compared to profit of ₹2,150.19 Lakhs for the Fiscal 2021.

CASH FLOW

The table below summarizes our cash flows derived from our Audited Consolidated Financial Information of cash flows for the Fiscals 2022 and 2021:

Particulars	(₹ in lakhs)	
	Fiscal 2022	Fiscal 2021
Net cash generated/ (used) in operating activities	14,567.66	(6,010.39)
Net cash from investing activities	(382.23)	1,761.24
Net cash (used in) financing activities	(14,457.74)	4,116.61
Net increase/ (decrease) in cash and cash equivalent	(272.31)	(132.54)
Cash and cash equivalents at the beginning of the year	782.36	914.90
Cash and cash equivalents at the end of the period	510.05	782.36

Cash Flow from Operating Activities

Fiscal 2022

In the Fiscal 2022, net cash flow generation in operating activities was 14,567.66 lakhs and the operating cash flows before working capital changes was ₹9,801.47 Lakhs.

The changes in working capital was primarily due to:

- a) Decrease In Trade Receivables of ₹3,392.64 lakhs; Decrease in Current Loans of ₹677.10 lakhs;
- b) Decrease in Other current Assets of ₹3,310.83 lakhs; Decrease in other Financial Assets of ₹822.58 lakhs;
- c) Decrease in other Current Liabilities of ₹(1,797.96) lakhs; Increase in Trade Payables of ₹9,597.20 lakhs;
- d) Increase /(Decrease) In Other Financial Liabilities of ₹1,082.86 lakhs; Increase in other non-current provisions of ₹40.14 lakhs; and
- e) Income tax paid (net of refund) was (600.37) lakhs in the Fiscal 2022.

Fiscal 2021

In the Fiscal 2021, net cash flow generated in operating activities was ₹(6,010.39) lakhs and the operating cash flows before working capital changes was ₹7,849.93 lakhs.

The changes in working capital was primarily due to decrease in trade payables of ₹(14,887.38) lakhs, decrease In Inventories of 1,856.46 lakhs, increase in trade Receivables of ₹(50.13) lakhs, increase in Current loans of ₹ (563.76) lakhs, increase in Other Current Assets of ₹ (839.41) lakhs, increase in other financial assets of ₹(504.38) lakhs, increase in other financial liabilities of ₹ 1,379.87 lakhs , increase in other current Liabilities of ₹ 104.16 lakhs and increase in non-current provisions of ₹ 43.50 lakhs.

Direct taxes paid was (399.25) lakhs in the Fiscal 2021.

Cash Flow from Investing Activities

Fiscal 2022

Net cash from investing activities was (382.23) Lakhs in the Fiscal 2022, primarily on account of Purchase of Property, plant and equipment of ₹ (484.44) Lakhs, Sale/(Purchase) of Non-Current Investments of ₹ 15.80 Lakhs, Proceeds from / (Payment of) fixed deposits of ₹ (1,541.54) Lakhs , Interest received on financial assets measured at amortised cost of ₹ 1,627.95 Lakhs

Fiscal 2021

Net cash from investing activities was ₹1,761.24 lakhs in the Fiscal 2021, primarily on account of Purchase of Property, plant and equipment of ₹(61.41) lakhs, Cash flow from Sale of Property, plant and equipment of ₹1.96 lakhs, Cash flow from Sale/(Purchase) of Non-Current Investments of ₹(24.99) lakhs, cash flow from Proceeds from / (Payment of) fixed deposits of ₹188.96 lakhs, Cash flow from Interest received on financial assets measured at amortised cost of ₹ 1,656.72 lakhs.

Cash Flow from Financing Activities

Fiscal 2022

Net cash used in investing activities was of ₹ (14,457.74) lakhs in the fiscal 2022, primarily on account of Proceeds from / (Repayment of) Current Borrowings of ₹ (4,554.15) lakhs, Proceeds from/ (Repayment of) Non-Current Borrowings of ₹ (2,330.65) lakhs, Interest Paid of ₹ (7,442.99) lakhs and Dividend on Equity shares of ₹(129.95) lakhs.

Fiscal 2021

Net cash used in financial activities was 4,116.61 lakhs in the Fiscal 2021, primarily on account of Proceeds from/ (Repayment of) Current Borrowings of ₹5,566.94 lakhs, Proceeds from / (Repayment of) Non-Current

Borrowings of ₹4,974.33 lakhs, Cash outflow from Interest Paid of ₹(6,294.71).

Total Borrowings

As on March 31, 2022, our total borrowings aggregated to ₹ 55,379.21 which comprises of non-current borrowings of ₹ 4,779.81 lakhs, current borrowings of ₹ 46,101.28 lakhs & current maturities of long term borrowings ₹ 4,498.12 lakhs.

As on March 31, 2021, our total borrowings aggregated to ₹ 60,986.72 lakhs, which comprises of non-current borrowings of ₹ 7,110.46 lakhs, current borrowings of ₹ 50,655.43 lakhs & current maturities of long term borrowings ₹ 3,220.83 lakhs.

Change in Current Assets

The current assets of the Company increased to ₹ 112,665.87 lakhs for the Fiscal 2022 from ₹ 107,985.59 lakhs for the Fiscal 2021, primarily due to following reasons:

- Increase in inventories;
- Reduction in cash and cash equivalents;
- Reduction in current tax assets (net);
- Increase in Bank balances;

Material Frauds

There are no material frauds committed against our Company, in the financial period ended on March 31, 2022 during Fiscal 2022.

Reservations, Qualification, Adverse Remarks and Emphasis of Matter

There are no reservations, qualifications and adverse remarks by our Statutory Auditors in the limited review unaudited standalone and consolidated financial results during the financial year ended on March 31, 2022.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors, and our Subsidiary ("**Relevant Parties**"). Further, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.*

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on February 16, 2022 for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding action, and tax matters, would be considered 'material' where:

- (i) the claim / dispute amount, to the extent quantifiable, exceeds 10% of the consolidated revenue of the Company as per the last restated financial statements of the Company for a complete Financial Year would be considered 'material' for disclosure in this Draft Letter of Offer; and*
- (ii) the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but an outcome in any such litigation would materially and adversely affect the Company's business, operations, cash flows, financial position or reputation of the Company.*

It is clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Subsidiary, our Directors or our Group Companies shall not be considered as litigation until such time that any of our Company, our Subsidiary, our Directors or our Group Companies, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority or any judicial authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

All terms defined in a particular litigation disclosure pertain to that litigation only.

I. Litigation involving our Company

A. Litigation filed against our Company

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Civil proceedings

Nil

B. Litigation filed by our Company

1. Criminal proceedings

(i) Cases under section 138 of the Negotiable Instruments Act, 1881

Our Company is involved in several cases pending before various forums, wherein our Company had filed complaints under section 138 of the Negotiable Instruments Act, 1881 in relation to default in payment by third parties for claims approximating to Rs. 38,22,56,585 out of which Rs. 1,75,621,829 have been recovered and Rs. 20,66,34,756 is still outstanding. Some of the pending matters have been settled between the Company and third parties, and the Company is in the process of withdrawing the complaints pertaining to such cases.

(ii) ***Compuage Infocom Limited vs. State of Maharashtra and Ors. – ALP/354/2018***

Our Company filed a criminal application in the Hon'ble Bombay High Court in its Criminal Appellate Jurisdiction against the judgment and order acquitting Futech Solutions Limited and another ("**Respondent**"). As per the Respondent's purchase order, our Company supplied goods of various descriptions to the Respondent and raised several invoices amounting to Rs. 51,51,609.52 against the purchase orders which were duly received and acknowledged by the Respondent. However, the Respondent defaulted in making payment aggregating to Rs.44,52,238 to our Company which has been outstanding till date. Our Company raised a notice for demand but the Respondent had failed to pay the outstanding amount. Therefore, our Company initiated proceedings under section 138 of Negotiable Instruments Act, 1881 at the Hon'ble Metropolitan Magistrate, 14th Court, Girgaon, Mumbai against the Respondents, wherein they were convicted and were penalised with a fine of Rs.20,00,000 and imprisonment for one of the accused. The Respondent appealed against the said penalty awarded to them by the Hon'ble Metropolitan Magistrate, 14th Court, Girgaon, Mumbai to the Hon'ble Sessions Court, which was pleased to acquit the Respondents vide order dated May 14, 2018. Subsequently, our Company filed the criminal application against such acquittal by the Hon'ble Sessions Court which is currently in the pre admission stage and pending.

2. **Civil proceedings**

(i) ***Compuage Infocom Limited vs. M/s Future Netwings Solutions Private Limited – C.P.(IB)134 of 2021***

Our Company filed an application to initiate corporate insolvency resolution process in respect of M/s Future Netwings Solutions Private Limited ("**Respondent**"). On several occasions, as per the Respondent's purchase orders, our Company supplied different hardware and software products of various descriptions to the Respondent and raised several invoices amounting to Rs. 3,77,10,557 against the purchase orders which were duly received and acknowledged by the Respondent. However, the Respondent defaulted in making payment aggregating to Rs. 2,56,58,420 to our Company which has been outstanding till date. Our Company raised a notice for demand but the Respondent had failed to pay the outstanding amount. Therefore, our Company initiated proceedings under section 9 of the Insolvency & Bankruptcy Code, 2016 against the Respondent before the Hon'ble National Company Law Tribunal, Kolkata Bench to recover the outstanding amount along with interest and GST aggregating to Rs. 3,20,52,760. The matter is currently pending.

(ii) ***Compuage Infocom Limited vs. M/s Zenica Lifestyle Private Limited***

Our Company had filed application to initiate corporate insolvency resolution process in respect of M/s Zenica Lifestyle Private Limited ("**Respondent**"). On several occasions, our Company supplied different hardware and software products of various descriptions to the Respondent and raised several invoices amounting to Rs. 60,38,918 against the purchase orders which were duly received and acknowledged by the Respondent. However, the Respondent defaulted in making payment aggregating to Rs. 52,51,591 to our Company which has been outstanding till date. Our Company raised a notice for demand but the Respondent had failed to pay the outstanding amount. Therefore, our Company initiated proceedings under section 9 of the Insolvency & Bankruptcy Code, 2016 against the Respondent before the Hon'ble National Company Law Tribunal, Chandigarh Bench to recover the outstanding amount along with interest and GST aggregating to Rs. 1,01,34,210. The matter is currently pending.

3. **Tax proceedings**

(in ₹)		
Particulars	No. of cases	Amount involved
Direct Tax	Not Ascertainable*	6,88,533
Indirect Tax	Not Ascertainable*	12,02,44,423
Total	Not Ascertainable*	12,09,32,956

*Includes outstanding direct and indirect tax for prior years

II. Litigation involving our Subsidiary**A. Litigation filed against our Subsidiary****1. Criminal proceedings**

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Civil proceedings

Nil

B. Litigation filed by our Subsidiary**1. Criminal proceedings**

Nil

2. Civil proceedings

Nil

C. Tax proceedings

(in ₹)		
Particulars	No. of cases	Amount involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

III. Disclosures Pertaining to Wilful Defaulters or a Fraudulent Borrower

Neither our Company, nor our Promoters and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or 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 or are currently pending against any of them.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to "*Objects of the Issue*" beginning on page 38 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors in their meeting dated February 16, 2022 have authorised this Issue under Section 62(1) (a) of the Companies Act, 2013.

Our Board of Directors have, at their meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share in consultation with the Lead Manager.

Our Board of Directors have, at their meeting held on [●], determined, the Rights Entitlement in consultation with the Lead Manager as [●] Rights Equity Share for every [●] Equity Shares held on the Record Date.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, pursuant to the letters dated [●] and [●] issued by the BSE and the NSE, respectively for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of Rights Entitlements for transfer and once the allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. [●] for Rights Entitlements so obtained will be permanently deactivated from the depository system. For details, please refer to "*Terms of the Issue*" beginning on page 112 of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our 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 directors 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 Promoter is associated with the securities market in any manner. Further, there is no outstanding actions initiated against any of our Directors or Promoter 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 or Directors have been categorized or identified as Wilful Defaulters by any bank or 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 or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group 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 erstwhile Companies Act, 1956. The Equity Shares of our Company are presently listed on the BSE and the NSE. We are eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company

is undertaking this Issue in compliance with Part B of Schedule VI of 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. BSE is the Designated Stock Exchange for the Issue.

Compliance with 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 the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to in paragraph 1 above are available on the website of Stock Exchange; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Since our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of the 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 Clause of SEBI

THE PRESENT ISSUE, BEING LESS THAN RS.5,000 LAKHS, OUR COMPANY IS IN COMPLIANCE WITH FIRST PROVISIO TO REGULATION 3 OF THE SEBI ICDR REGULATIONS AND OUR COMPANY SHALL FILE A COPY OF THE DRAFTLETTER OF OFFER PREPARED IN ACCORDANCE WITH THE SEBI (ICDR) REGULATIONS WITH SEBI FOR INFORMATION AND DISSEMINATION ON THE WEBSITE OF SEBI FOR INFORMATIVE PURPOSES.

Disclaimer from our Company and Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice /evaluation as to their ability and quantum of investment in the Issue.

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 Mumbai, India only.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated

by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

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.

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. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Abridged Letter of Offer, Application Form, 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, 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 this Draft Letter of Offer, 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 SEBI and the Stock Exchange.

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 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 Draft 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 Draft 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.

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 of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who

purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

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 "U.S. 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 U.S. 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 SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT

LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Lead Manager, Legal Advisor, the Registrar to the Issue and the Bankers 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 April 5, 2022 from our Statutory Auditor, 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 April 5, 2022 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.

Expert Opinion

Our Company has received written consent dated April 27, 2022 from our Statutory Auditor to include their name as required 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 April 05, 2022 and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinion.

Performance vis-à-vis objects – Public/ Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

Our Subsidiary is not listed as on date of this Draft Letter of Offer.

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. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchanges and not with SEBI. However, the Draft 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 LODR 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. Link Intime India 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 receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post Issue related matter. 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), email address of the sole/ first holder, folio number or demat account number, number of 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, please refer to "**Terms of the Issue**" beginning on page 112 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Investors may contact the Registrar to the Issue at:

Registrar to the Issue

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg

Vikhroli (West) Mumbai 400083

Telephone Number: +91 (22) 4918 6270

E-mail: compuage.rights@linkintime.co.in

Website: www.linkintime.co.in

Contact person: Shanti Gopalkrishnan

Investor grievance: Compuage.rights@linkintime.co.in

SEBI registration number: INR000004058

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.

Company Secretary and Compliance Officer

Hasti Pala

D-601/602 & G-601/602, Lotus Corporate Park,

Steel Compound, Western Express Highway,

Goregaon (East), Mumbai – 400 063,

Maharashtra, India

Telephone: +91 (22) 6711 4444

E- mail: hasti.pala@compauageindia.com

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, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager 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 this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("**SEBI – Rights Issue Circular**"), all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in 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 of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, 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 RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited and National Stock Exchange of India Limited and the terms and conditions as stipulated in the Allotment Advice.

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 Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right 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 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 Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India 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 Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible 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 such Eligible 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 or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

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:

- Our Company at <https://www.compuageindia.com>;
- the Lead Manager at <https://www.markcorporateadvisors.com>;
- the Registrar to the Issue at <https://linkintime.co.in>; and
- the Stock Exchange at <https://www.bseindia.com> and <https://www.nseindia.com>.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at <https://web.linkintime.co.in/RIGHTSISSUE/rightsissues-Knowyourapplication.aspx> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company at <https://www.compuageindia.com/>

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar 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. Resident Eligible 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 and such other credentials for validation of the identity of the shareholder, as may be required.

a) *Facilities for Application in this Issue:*

ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please refer to Paragraph titled "***Procedure for Application through the ASBA process***" beginning on page 123 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of 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 02, 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.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, 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, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

b) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

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 (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●] ISSUE – SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Resident 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 Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder

which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; 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.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●] are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date, in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on 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 shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

c) *Application by Resident 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 Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two 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.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 129 of this Draft Letter of Offer.

d) *Application for Additional Equity Shares:*

Investors are eligible to apply for additional 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 Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional 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 Exchange. Applications for additional 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 "***Basis of Allotment***" beginning on page 135 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

e) Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the Renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "***Procedure for Application through the ASBA process***" beginning on pages 123 of the Draft Letter of Offer.

f) *Other important links and helpline:*

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: Link Intime India Private Limited
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders : www.linkintime.co.in

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated February 16, 2022 have authorised this Issue under Section 62(1) (a) of the Companies Act, 2013.

The Board of Directors has in consultation with the Lead Manager in their meeting held on [●] have determined the Issue Price at [●] per Equity Share. Further the Board of Directors has in consultation with the Lead Manager in their meeting held on [●] has determined the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date. Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letters dated [●] and [●] respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals 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, please refer to the section entitled "*Terms of the Issue*" beginning on page 112 of this Draft Letter of Offer.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue <https://web.linkintime.co.in/RIGHTSISSUE/rightsissues-Knowyourapplication.aspx> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company <https://www.compuageindia.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 dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. 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 escrow 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.

Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed 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.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the 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, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and other issue material only to the Eligible 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 Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible 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 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.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible 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 Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchanges' websites.

The distribution of the Letter of Offer, 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 will be filed with SEBI and the Stock Exchange. 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 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 in those jurisdictions in which it would be illegal to make such an offer and, 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, Application Form should not, in connection with the issue of the persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or 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. 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 acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, the Lead Manager and the Registrar 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.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹2.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share in the Issue.

The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board of Directors of our Company, at its meeting held on [●], has determined the Issue Price in consultation with the Lead Manager.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ [●] per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights 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 Share(s) 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 as above will be given preferential consideration for the Allotment of

one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of [●] Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the 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 Memorandum of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR 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 pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. [●] for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: **INE070C01037** on BSE (Scrip Code: **532456**) and on NSE (Symbol: **COMPINFO**). The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE subject to necessary approvals. Our Company has received in-principle approval from BSE and NSE through letter dated [●] and [●] respectively. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalisation of the Basis of Allotment. 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.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE and NSE. The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE and NSE, our Company will within four days forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid within four days, then our Company and every Director who is an officer in default shall, on and from such expiry of four days, be liable to repay the money, with interest as applicable. For details of trading and listing of Rights Equity Shares, please refer to the heading "**Terms of Payment**" beginning on page 117 of this Draft Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "**Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue**" beginning on page 36 of this Draft Letter of Offer

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized 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 such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

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 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible 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 Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible 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 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, our Company along with the Lead Manager will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar 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.

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. Our Office is located in New Delhi and Hindi is also the regional language at the place where our Registered Office is situated.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and 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, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India. The 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.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and 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. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer to "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 129 of this Draft Letter of Offer

Our Company, the Lead Manager, its directors, its 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.

Application Form

The Application Form for the Right Shares offered as part of this Issue would be sent to the Eligible Shareholders only to:

- E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- E-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, the Lead Manager and the Registrar 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.

Please note that neither our Company nor the Lead Manager shall be responsible for 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 email 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.

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:

- Our Company at <https://www.compuageindia.com/>
- the Lead Manager at <https://www.markcorporateadvisors.com/>
- the Registrar to the Issue at <https://linkintime.co.in/the>
- Stock Exchange at <https://www.bseindia.com/> and <https://www.nseindia.com/> ; and

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://web.linkintime.co.in/RIGHTSISSUE/rightsissues-Knowyourapplication.aspx>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.compuageindia.com). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single

Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date, after which they can apply through ASBA facility.

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 accept this Issue and 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. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

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.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details please refer to "**Grounds for Technical Rejection**" beginning on page 133 of this Draft Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any 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 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 refer to "**Application on Plain Paper under ASBA process**" beginning on page 125 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and other issue material would also be available on the website of the Registrar to the Issue at <https://linkintime.co.in> and link of the same would also be available on the website of our Company at (www.compuageindia.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in "**Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form**" beginning on

page 129 of this Draft Letter of Offer.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit 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 should ensure that they have correctly submitted the Application Form, or have otherwise 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.

Self-Certified Syndicate Banks

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>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Lead Manager, our Company, its directors, its 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.

Acceptance of this Issue

Investors may accept this Issue and 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. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "***Application on Plain Paper under ASBA process***" beginning on page 125 of this Draft Letter of Offer.

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 Rights 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. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the BSE and NSE in the manner prescribed under the section titled "***Terms of the Issue***" beginning on page 112 of this Draft Letter of Offer. 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 prescribed under the section "***Basis of Allotment***" beginning on page 135 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors 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 Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

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. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

a) *On Market Renunciation*

The Investors 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 of our Company.

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. 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 dematerialized 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., [●] 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 [●] and indicating the details of the Rights Entitlements they intend to sell. 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 and NSE under automatic order matching mechanism and on 'T+2 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 Investors 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 Renouncees on or prior to the Issue Closing Date to enable Renouncees 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.

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.

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.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. 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 address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchanges or the Lead Manager to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize 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 bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Compuage Infocom Limited;
- 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);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR 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;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and 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 the Issue. Documentary evidence for exemption to be provided by the Applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- 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);
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application 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 said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager 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, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, 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, the Lead Manager 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 <https://linkintime.co.in/>. Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is [●]. 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 provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the 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 provided under "**Terms of the Issue - Basis of Allotment**" beginning on page 135 of this Draft Letter of Offer.

Modes 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 ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

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, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account 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 finalization 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.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

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 hereinafter.

Mode of payment for Resident Investors

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. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (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 Right 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, , Allotment of 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, 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.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company or the Lead Manager.

Note:

In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, 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.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident 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 Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two 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.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. 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 Working Days prior to the Issue Closing Date;
2. 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;
3. The remaining procedure for Application shall be same as set out in "*Application on Plain Paper under ASBA process*" beginning on page 125 of this Draft Letter of Offer.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE REFER TO "ALLOTMENT ADVICES/ REFUND ORDERS/UNBLOCKING OF ASBA ACCOUNTS" BEGINNING ON PAGE 136 OF THIS DRAFT LETTER OF OFFER.

General instructions for Investors

- a) Please read the Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on 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, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with

- respect to the equity shares held in physical form.
- c) Please read the instructions on the Application Form sent to you.
 - d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
 - e) Application should be made only through the ASBA facility.
 - f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
 - g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "***Application on Plain Paper under ASBA process***" beginning on page 125 of this Draft Letter of Offer.
 - h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and 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.
 - i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
 - j) 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 BSE and NSE.
 - k) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar and the Lead Manager.
 - l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
 - m) 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.
 - n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.
 - o) 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.
 - p) 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.
 - q) All communication in connection with Application for the Rights Equity Shares, including any change in address 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 numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address 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.
 - r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
 - s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, applications

made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

- t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- u) 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 and the Lead Manager.

Additional general instructions for Investors in relation to making of an Application

- a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the 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.
- b) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "**Application by Eligible Equity Shareholders on Plain Paper under ASBA process**" beginning on page 125 of this Draft Letter of Offer.
- c) 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 e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail 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 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 Registrar or the Lead Manager 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.
- d) 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.
- e) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- f) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- g) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- h) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- i) Do not pay the Application Money in cash, by money order, pay order or postal order.
- j) Do not submit multiple Applications.
- k) No investment under the FDI route requiring government approval 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. The Lead Manager and our Company will not be responsible for any allotments made by relying on such

- approvals.
- l) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) 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.
- (d) Investors should provide correct DP ID and client ID/ folio number 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. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

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 and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized 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 Rights 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 and have signed the same.
- (f) Ensure that you have a bank account with an SCSB 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 and press release dated June 25, 2021.

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Lead Manager, 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.
- c) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
 - d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
 - e) Do not submit Application Form using third party ASBA account.

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, the Lead Manager, the 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 the 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) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the 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 (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the 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 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 (other than in reliance with Reg S).

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING

PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number 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. Hence, 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. By signing the Application Forms, the 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.

The Allotment Advice and the email intimating unblocking of ASBA Account would be emailed to the address of the Investor as per the email 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 or the Lead Manager 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) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

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 dematerialized 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 the SEBI and such Applications shall not be treated as multiple applications. For details, please refer to "*Investment by Mutual Funds*" beginning on page 140 of this Draft Letter of Offer.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 36 of this Draft Letter of Offer.

Underwriting

The Issue is not underwritten.

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, may withdraw their Application post the Issue Closing Date.

Issue schedule

Last date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note: Our Board may, however, decide 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).

**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 Renouncees on or prior to the Issue Closing Date*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, 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 Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
- 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 Securities. Allotment under this head shall be considered if there are any unsubscribed Rights Securities after allotment under (a) above. If number of Rights Securities required for Allotment under this head are more than the number of Rights Securities available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall 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 unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the 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 and also 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 shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.
- e) Allotment to any other person 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.
- f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders/ Unblocking Of ASBA Accounts

Our Company will issue and dispatch Allotment Advice, refund instructions or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking 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 refunded/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/unblocking of fund beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment Advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 4 days of the Issue Closing Date.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, 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:

1. **Unblocking amounts blocked using ASBA facility-** The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

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.

Allotment Advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 4 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right 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 WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (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 dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated October 20, 2000 amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated September 11, 2000 amongst our Company, CDSL and the Registrar to the Issue

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- 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 each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- 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.
- 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.
- 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.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized 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 whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment Advice, refund order/unblocking (if any) would be sent directly to the Applicant by email and, if the printing is feasible, 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.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form 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, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" beginning on page 120 of this Draft Letter of Offer.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA 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, only Category I FPIs, 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 exchange 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.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the 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.

Investment by AIFs, FVCIs, VCFs and FDI route

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("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.

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.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange 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 Policy has been recently amended to state that all investments by entities incorporated in 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 ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Right Shares to Restricted Investors will also require a 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 of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) network 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.

Payment by stock invest

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.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- ii. 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*
- iii. 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 ₹ 10 lakhs 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 ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements dated October 20, 2000 and September 11, 2000 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: **INE070C01037**.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch 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 unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or before T+1 day (T being the date of finalisation of Basis of Allotment). 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.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- a) All monies received out of the Issue shall be transferred to a separate bank account;
- b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- c) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 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.
- e) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- f) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- g) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- i) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time

- to time.
- j) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

Our Promoter and Promoter Group has informed us that the Promoter and Promoter Group may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce a part of their rights entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription i.e. subscription of 90 % of the Issue is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

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 for filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE Limited and National Stock Exchange of India Limited 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 Exchange.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Lead Manager through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Important

Please read the 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 the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "**Risk Factors**" beginning on page 16 of this Draft Letter of Offer.

All enquiries in connection with this Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the

Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "[●]" on the envelope to the Registrar at the following address:

Link Intime India Pvt. Ltd,
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083

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 <https://linkintime.co.in/>. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 1800 1020 878.

The Issue will remain open for minimum period of 7 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 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTION ON THE PURCHASE AND RESALE

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Rights Equity Shares in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchanges.

The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Rights Equity Shares may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Rights Equity Shares may be distributed or published in or from any country or jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

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.

This Draft Letter of Offer and its accompanying documents 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 below:

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States, except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulations under the US Securities Act and applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Draft 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 Shareholder who has received this Draft Letter of Offer and its accompanying documents directly from our Company or the Registrar.

Each person outside of the United States, by accepting delivery of this Draft 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 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 (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/ or the Rights Equity Shares are outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore

transaction meeting the requirements of US Securities Act.

2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in US Securities Act).
3. 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 the Rights Equity Shares, and 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.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, 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 its jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties 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 acknowledgements, representations, warranties 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.
6. 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, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
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 this Draft Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements 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. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Draft Letter of Offer under the heading "*Restrictions on Purchases and Resales*".
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 this Issue.
9. Neither the purchaser nor 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 the 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 this Draft Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and subsidiary 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), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgment, 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, Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Draft Letter of Offer); and (vi) 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 (i) the Rights Equity Shares are listed on the BSE and the NSE and our Company is, therefore, required to publish certain business, financial and other information in accordance with the rules and practices of the BSE and the NSE (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years, together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively "**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; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the US Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates nor the Lead Manager or its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
12. The purchaser understands that the Exchange Information and this Draft Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchanges or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Draft Letter of Offer have been prepared in accordance with Ind AS, the Companies Act, and other applicable statutory and/or regulatory requirements, and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Draft Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the U.S. SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.
13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company and (ii) none of the Lead Manager or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
14. The purchaser will not hold our Company, the Lead Manager or its affiliates responsible for any misstatements in or omissions to the Exchange Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.

15. 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 or the Lead Manager for all or part of any such loss or losses it may suffer.
16. The purchaser understands and acknowledges that the Lead Manager is assisting our Company in respect of this Issue and that the Lead Manager is acting solely for our Company and no one else in connection with this Issue and, in particular, is not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from its engagement with our Company and in connection with this Issue.
17. 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, agreements and undertakings and other information contained in this Draft Letter of Offer and the Application Form. The purchaser understands that neither our Company, nor the Registrar, nor the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or outside of India and is not eligible to participate in this Issue under applicable securities laws.
18. The purchaser understands that the foregoing representations and acknowledgments have been provided in connection with the United States, India and other securities laws. It acknowledges that our Company and the Lead Manager, their affiliates and others (including legal counsels to each of our Company and the Lead Manager) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of this Issue or the issuance of the Rights Equity Shares, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights Entitlements and subscription for the Rights Equity Shares is no longer accurate, it shall promptly notify our Company in writing.

Australia

This Draft 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. This Draft Letter of Offer has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with the ASIC. Any offer in Australia of the Rights Entitlements and Rights Equity Shares under this Draft 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 Rights 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 an agent or nominee for, an Australian resident and you are a recipient of this Draft Letter of Offer, and for any offers made under this Draft Letter of Offer, you represent to the Company and the Lead Manager that you will not provide this Draft Letter of Offer or communicate any offers made under this Draft Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or Rights Equity Shares for, any Australian resident, unless they are a "sophisticated investor" or "professional investor" as

defined under Section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Rights Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder (or Lead Manager) 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 person acquiring the Rights Entitlements and the Rights Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Draft Letter of Offer or the performance of the Rights Entitlements or the Rights Equity Shares, 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. This Draft Letter of Offer is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Entitlements or the Rights Equity Shares and this Draft Letter of Offer will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed nor has it approved this Draft Letter of Offer or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Rights Entitlements or the Rights Equity Shares.

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.

China

This Draft Letter of Offer may not be circulated or distributed in the People's Republic of China ("**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 Rights 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 this Draft Letter of Offer are required by the Issuer and its representatives 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.

Dubai International Financial Centre

The Rights Entitlements and the Rights Equity Shares have not been offered and will not be 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) module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; or
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), neither the Rights Entitlements or the Rights Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlements and the Rights Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlements and

the Rights Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the manager for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Rights Equity Shares shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This Draft Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation. The Issuer does not authorize the making of any offer of Rights Entitlements and/or the Rights Equity Shares in circumstances in which an obligation arises for the Issuer to publish a prospectus for such offer.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Rights Entitlements or the Rights Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and Rights Entitlements or any Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for those securities, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

Hong Kong

The Rights Entitlements and the Rights 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 Rights 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 Rights 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 have, directly or indirectly, been 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 Rights 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 falls under the Qualified Institutional Investor, the Rights Entitlements and the Rights Equity Shares will be offered in Japan pursuant to a private placement to the Qualified Institutional Investors (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. To receive the Rights Entitlements and subscribe to the Rights Equity Shares (the "**QII Rights Entitlements and the QII Equity Shares**"), such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This Draft 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 Rights Equity Shares in the State of Kuwait. The Rights Entitlements and the Rights 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 Rights Equity Shares in the 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 ("**Kuwait Securities Laws**"). No private or public offering of the Rights Entitlements or the Rights 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 Rights 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 Rights Equity Shares in the State of Kuwait.

Luxembourg

The Rights Entitlements and the Rights Equity Shares offered in this Draft Letter of Offer may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This Draft Letter of Offer is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Rights Entitlements and the Rights Equity Shares. Distribution of this Draft Letter of Offer to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia.

Accordingly, this Draft Letter of Offer or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Rights Entitlements and the Rights Equity Shares. The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Malaysia, except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Rights Entitlements or the Rights Equity Shares directly or indirectly to or from any one in Malaysia.

Mauritius

The Rights Entitlements or the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Draft 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. This Draft Letter of Offer does not constitute an offer to sell the Rights Entitlements or the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act, 2001.

New Zealand

This Draft Letter of Offer has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act, 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Rights Entitlements and the Rights Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Rights Entitlements or the Rights Equity Shares are issued or sold elects to sell any Rights Entitlements or Rights Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Oman

This Draft Letter of Offer and the Rights Entitlements and the Rights Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman ("**Oman**") without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Rights Entitlements and the Rights Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of the Rights Entitlements and the Rights Equity Shares described in this Draft Letter of Offer will not take place inside Oman. This Draft Letter of Offer is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof and does not constitute a public offer of the Rights Entitlements or the Rights Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA.

Additionally, this Draft Letter of Offer and the Rights Entitlements and the Rights Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Draft Letter of Offer and the Rights Entitlements and the Rights Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar

This Draft Letter of Offer is provided on an exclusive basis to the specifically intended recipient, upon that person's request and initiative, and for the recipient's personal use only and is not intended to be available to the public.

Nothing in this prospectus constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Rights Entitlements or the Rights Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Draft Letter of Offer and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Draft Letter of Offer by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

Saudi Arabia

This Draft Letter of Offer may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 3-123-2017 dated 27 December 2017 as amended by resolution number 1-104-2019 dated 30 September 2019, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Draft Letter of Offer and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Draft Letter of Offer. Prospective purchasers of the Rights Entitlements and the Rights Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Rights Entitlements and the Rights Equity Shares. If you do not understand the contents of this Draft Letter of Offer, you should consult an authorized financial adviser.

Singapore

This Draft Letter of Offer has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, neither this Draft Letter of Offer nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements or the Rights Equity Shares may be circulated or distributed, nor may the Rights Entitlements or the Rights Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) existing holders of Rights Equity Shares in the Company pursuant to Section 273(1)(cd)(i) of the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"), or (ii) pursuant to, and in accordance with, the conditions of an exemption under Section 274 or Section 275 of the Securities and Futures Act and (in the case of an accredited investor) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or where applicable, Section 276 of the Securities and Futures Act.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the Securities and Futures Act is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B of the Securities and Futures Act: The Rights Entitlements and the Rights Equity Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) 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).

South Korea

We are not making any representation with respect to the eligibility of any recipients of this Draft Letter of Offer to acquire the Rights Entitlements and the Rights Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and the Rights Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and the Rights Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Rights Equity Shares may not be re-sold to Korean residents unless the purchaser of the Rights Entitlements and the Rights Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and the Rights Equity Shares.

United Arab Emirates

This Draft 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. This Draft 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.

United Kingdom

In the United Kingdom, this Draft Letter of Offer and any investment or investment activity to which this Draft Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) fall within Article 49(2)(a) to (d) ("**high net worth companies, unincorporated associations, etc.**") of the Order or (iii) to whom it can otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this Draft Letter of Offer and should not act or rely on it or any of its contents.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (**FIFP**) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The DIPP, has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 ("**FDI Policy 2020**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the **FIFP**.

The transfer of shares between an Indian resident and a non-resident does not need prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA, and the 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.

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been derecognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non-institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including the exemption under Regulation S ("**Regulation S**") of the U.S. Securities Act.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager 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 Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII- STATUTORY AND 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, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days 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 investors.relations@compuageindia.com.

I. Material Contracts for the Issue

- i. Memorandum of Understanding on February 22, 2022 executed between our company and Lead Manager to the Offer;
- ii. Registrar Agreement dated February 22, 2022 entered into amongst our Company and the Registrar to the Issue;
- iii. Banker to the Issue Agreement dated [●] entered amongst our Company, the Lead Manager, the Registrar to the Issue and Banker(s) to the Issue.

II. Material Documents

- i. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- ii. Annual Reports of the Company for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022.
- iii. Certificate of incorporation dated May 26, 1995.
- iv. Order copy of the High Court of Bombay, Maharashtra dated July 20, 2000 approving the Scheme of Amalgamation.
- v. Resolution of the Board of Directors dated February 16, 2022 in relation to the Issue.
- vi. Resolution of the Board of Directors dated June 24, 2022 approving and adopting the Draft Letter of Offer.
- vii. The audited consolidated financial results for the year ended March 31, 2022 included in this Draft Letter of Offer.
- viii. Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, the Registrar to the Issue, Banker to the Company, the Lead Manager to the Issue and the Legal Advisor to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.
- ix. Statement of Tax Benefits dated April 5, 2022 from the Statutory Auditor included in this Draft Letter of Offer.
- x. Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated September 11, 2000.
- xi. Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated October 20, 2000.
- xii. In-principle listing approvals dated [●], from the BSE.
- xiii. In-principle listing approvals dated [●], from the NSE.

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

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Atul Harkishandas Mehta
(Managing Director)

Sd/-

Ganesh Shiva Ganesh
(Independent Director)

Sd/-

Bhavesh Harkishandas Mehta
(Whole Time Director)

Sd/-

Vijay Agarwal
(Independent Director)

Sd/-

Virendra G. Bhatt
(Independent Director)

Sd/-

Hetal Kudecha
(Independent Director)

SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:

Sd/-

Hasti Pala
(Company Secretary and Compliance Officer)

Date: June 24, 2022

Place: Mumbai