



ACE SOFTWARE EXPORTS LIMITED

Our Company was incorporated as 'Ace Software Exports Limited' as a public limited company under the Companies Act, 1956 at Rajkot, Gujarat vide certificate of incorporation dated August 17, 1994 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was granted the certificate of commencement of business dated September 23, 1994. There has been no change in the name of the Company since its incorporation.

Registered Office: 801 Everest Commercial Complex, Opp. Shastri Maidan, Rajkot - 360001, Gujarat, India.

Corporate Identification Number: L72200GJ1994PLC022781

Telephone: 0281-2226097; **Email:** investorinfo@acesoftex.com **Website:** www.acesoftex.com |

Contact Person: Mansi Patel, Company Secretary and Compliance Officer; **Email:** investorinfo@acesoftex.com;

**OUR PROMOTERS: VIKRAM BHUPAT SANGHANI, SANJAY HARILAL DHAMSANIA AND AMIT MANSUKHLAL MEHTA.
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ACE SOFTWARE EXPORTS LIMITED
(THE "COMPANY" OR THE "ISSUER") ONLY**

ISSUE OF UP TO [●] PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF OUR COMPANY ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] EACH INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO AN AMOUNT OF UP TO ₹4,992.00 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARES FOR EVERY [●] FULLY PAID UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●], [●], 2024 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 127 OF THIS DRAFT LETTER OF OFFER.

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

PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE*	Face Value (₹)	Premium (₹)	Total (₹)
On Application	[●]	[●]	[●]
On one or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time	[●]	[●]	[●]
Total	10.00	[●]	[●]

*For further details on Payment Schedule, see "Terms of the Issue" on page 127.

WILFUL DEFAULTERS OR FRAUDULENT BORROWER

NEITHER OUR COMPANY NOR OUR PROMOTERS OR ANY OF OUR DIRECTORS ARE CATEGORISED AS A WILFUL DEFAULTER OR FRAUDULENT BORROWER BY RBI OR ANY OTHER GOVERNMENTAL AUTHORITY

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking any 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 Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. **Specific attention of the Investors is invited to statement of "Risk Factors" given on page 23 of this Draft Letter of Offer.**

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regards to the Company and the Issue, which is material in the context of this 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 respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("BSE" or "Stock Exchange"). Our Company has received an "in-principle" approval from BSE for listing of the Rights Equity Shares to be allotted pursuant to this Issue vide letter dated [●]. Our Company will also make an application to the Stock Exchange to obtain the trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number - SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

LEAD MANAGER TO THE ISSUE

VIVRO

Vivro Financial Services Private Limited

Vivro House, 11, Shashi Colony, Opposite Suvridha Shopping Center, Paldi, Ahmedabad - 380 007, Gujarat, India.

Telephone: +91-79-4040 4242;

Email: investors@vivro.net

Website: www.vivro.net

Investor Grievance Email: investors@vivro.net

Contact Person: Shivam Patel / Jay Dodiya

SEBI Reg. No.: INM000010122

CIN: U67120GJ1996PTC029182

REGISTRAR TO THE ISSUE

LINKIntime

Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg, Vikhroli (west), Mumbai - 400 083, Maharashtra, India.

Telephone: +91 8108114949;

Email: acesoftware.rights2024@linkintime.co.in

Website: www.linkintime.co.in

Investor grievance email: acesoftware.rights2024@linkintime.co.in

Contact person: Shanti Gopalkrishnan

Sebi Reg. No.: INR000004058

CIN: U67190MH1999PTC118368

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	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 the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this chapter. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactment notified thereto. In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’, or similar terms are to Ace Software Exports Limited as the context requires and references to ‘you’ are to the Eligible Equity Shareholders in this Rights Issue of Equity Shares.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the SEBI Listing Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections/chapters titled “Industry Overview”, “Statement of Special Tax Benefits”, “Financial Information”, “Outstanding Litigation and Defaults” and “Terms of the Issue” on pages 67, 63, 96, 116 and 127 respectively of this Draft Letter of Offer, shall have the meaning assigned to the terms in the respective chapters.

General Terms

Terms	Description
“Ace Software Exports Limited” or “the Company” or “our Company” or “the Issuer” or “ACE”	Ace Software Exports Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 801 Everest Commercial Complex, Opp. Shastri Maidan, Rajkot – 360 001, Gujarat, India.
“We” or “Us” or “Our”	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company together with QeNomy Digital LLP and QeCAD Studio LLP and our Subsidiaries, on a consolidated basis.

Company Related Terms

Terms	Description
Articles / Articles of Association/ AoA	The Articles of Association of our Company as amended from time to time.
Audit Committee	Audit committee of our Board, as described in “Our Management – Committees of our Board” on page 87.
Auditor / Statutory Auditor	The Statutory Auditors of our Company being J.A. Sheth & Associates, Chartered Accountants having their office at 507, Aalap – A, Limda Chowk, Subhash Road, Rajkot - 360 001, Gujarat.
Board / Board of Directors	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
CEO and Managing Director	Amit Mansukhlal Mehta
Chief Financial Officer/CFO	Jyotin Bhadrakant Vasavada
Company Secretary and Compliance officer	Mansi Patel
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shareholders	Holders of Equity Share(s), from time to time
Equity Shares / Shares	Equity Shares of face value of ₹10/- each of our Company.
Executive Director(s)	Whole-time Directors/ Executive Directors on our Board
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

Terms	Description
	the SEBI Listing Regulations. For details of the Independent Directors, please refer to " Our Management " beginning on page 82 this Draft Letter of Offer.
ISIN	International Securities Identification Number being INE849B01010
Key Managerial Personnel(s) / KMP(s)	Key Managerial Personnel(s) of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations being Amit Mansukhlal Mehta, Managing Director & CEO, Vikram Bhupat Sanghani , Whole Time Director, Sanjay Harilal Dhamsania, Whole Time Director, Rahul Jayantibhai Kalaria, Whole Time Director, Jyotin Bhadrakant Vasavada, Chief Financial Officer and Mansi Patel, Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company.
Materiality Policy	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations.
Memorandum of Association/ MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board, as described in " <i>Our Management – Committees of our Board</i> " on page 87.
Non-Executive Director(s)	The Non-executive Director(s) on the Board.
Promoter(s)	Vikram Bhupat Sanghani, Sanjay Harilal Dhamsania and Amit Mansukhlal Mehta.
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
"Registered Office" or "Registered and Corporate Office"	Registered office of our Company situated at 801, Everest Commercial Complex, Opp Shastri Maidan, Rajkot - 360001, Gujarat, India.
Registrar of Companies / ROC	Registrar of Companies, Gujarat, located at ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013.
Restated Consolidated Financial Information/ Restated Financial Statements	The restated consolidated financial statements of our Company, comprising of the restated consolidated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statement of profit and loss, the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the financial year ending March 31, 2024, 2023 and 2022, read together with the summary of significant accounting policies and explanatory notes and notes to restated financial information prepared in terms of the Companies Act, 2013, SEBI ICDR Regulations, Guidance Note on Reports in Company Prospectuses (as amended) issued by the Institute of Chartered Accountants of India as amended from time to time.
Right Issue Committee	Our Board of Directors constituted a right issue committee pursuant to the board resolution dated June 05, 2024.
Senior Management Personnel	Senior management personnel of our Company determined in accordance with Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as described in " <i>Our Management</i> " beginning on page 82 of this Draft Letter of Offer.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in " <i>Our Management – Committees of our Board</i> " on page 87.
Subsidiaries	Ace Infoway Private Limited, AQE Techtools Private Limited and Ace Infoworld Private Limited
Unaudited Consolidated Financial Results	The unaudited consolidated financial results of our Company for the three months period ended June 30, 2024, including the notes thereto and the report thereon, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see "Financial Information" on page 96 of this Draft Letter of Offer.

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	The Abridged Letter of Offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment / Allot / Allotted /Allotment of Rights Equity Shares	The Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account opened with the Banker(s) to the Issue, into which 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 Account(s) will be opened, in this case being, [●].
Allotment Advice	The note or advice or intimation of Allotment sent to the successful Investors, who have been or are to be allotted the Rights Equity Shares after the basis of allotment has been approved by the BSE.
Allotment Date/ Date of Allotment	The date on which Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) to whom Rights Equity Shares of our Company are Allotted pursuant to this Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and / or Renounee(s) who are entitled to apply or make an application for the Rights Equity Shares issued 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(es) of the SCSBs or online /electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form / Common Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application 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 the Rights Equity Shares in the Issue.
Application Money	Aggregate amount payable at the time of Application, i.e., ₹[●] per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with SCSB.
ASBA Account	An account maintained with an SCSB and specified in the Application Form or plain paper application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper application.
ASBA Applicants / ASBA Investors	Applicants / Investors who make Application in this Issue using the ASBA Process
ASBA Circulars	Collectively, the SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, the 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, SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022; SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Bankers to the Issue / Escrow Collection	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●].

Term	Description
Bank	
Banker to the Issue Agreement	Agreement to be entered into by and amongst our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for receipt of the Application Money from 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 “ Terms of the Issue ” on page 127 of this Draft Letter of Offer.
Call(s)	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making a payment of the Call Monies.
Call Money(ies)	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Schedule, being ₹ [●] per Rights Equity Share after payment of the Application Money.
Call Record Date	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and/or such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/husband, investor status, PAN, DP ID, Client ID, occupation and bank account details, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or plain paper application, submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository	NSDL and CDSL or any other depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 1996.
Draft Letter of Offer / DLOF	This draft letter of offer dated September 19, 2024 filed with the SEBI and the Stock Exchange prepared in accordance with SEBI ICDR Regulations.
Equity Shareholder(s) / Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholders / Eligible Shareholders/	Equity Shareholders as on the Record Date i.e., [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders, including any shareholder located in the United States. For further details, see “ Notice to Investors ” on page 11 of this Draft Letter of Offer.
Entitlement Letter/ Rights Entitlement Letter	A letter to be dispatched by the Registrar to all Eligible Equity Shareholders as on the Record Date which will contain details of their Rights Entitlements based on their shareholdings as on the Record Date i.e., [●]. The Rights Entitlements are also accessible on the website of our Company and Registrar.
General Corporate Purposes	General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
Issue / the Issue / this Issue / Rights Issue	Issue of up to [●] Rights Equity Shares of face value of ₹10 each of our Company for cash at a price of ₹ [●] /- per Rights Equity Share (including a share premium of ₹ [●] per Rights Equity Share) aggregating up to ₹4,992.00 Lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date i.e. [●], [●], 2024.

Term	Description
	On Application, Investors will have to pay ₹[●] per Rights Equity Share which constitutes [●]% of the Issue Price and the balance ₹[●] per Rights Equity Share which constitutes [●]% of the Issue Price, must be paid, on one or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time. <i>*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.</i>
Issue Agreement	Issue agreement dated September 19, 2024, entered between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to this Issue.
Issue Closing Date	[●]
Issue Materials	Collectively, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue.
Issue Opening Date	[●]
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	Issue of up to [●] Rights Equity Shares for cash at a price of ₹ [●] /- per Rights Equity Share (including a share premium of ₹ [●] per Rights Equity Share) aggregating up to ₹4,992.00 lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date i.e. [●], [●], 2024. On Application, Investors will have to pay ₹[●] per Rights Equity Share which constitutes [●]% of the Issue Price and the balance ₹[●] per Rights Equity Share which constitutes [●]% of the Issue Price, must be paid, on one or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time. <i>*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.</i>
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The amount aggregating up to ₹ 4,992.00 Lakhs*. <i>*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.</i>
Lead Manager	Vivro Financial Services Private Limited
Letter of Offer / LOF	The final letter of offer to be filed with the Stock Exchange.
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange 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 Entitlements will not be treated as multiple application.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please see to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 54.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act.
Non-Institutional Bidders / NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The 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 [●].
Payment Schedule	Payment schedule under which [●]% of the Issue Price is payable on Application, i.e., ₹[●] (Rupees [●] Only) per Rights Share and the balance unpaid capital constituting [●]% of the Issue Price i.e., ₹[●] (Rupees [●] Only) will have to be paid, on one or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time.

Term	Description
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares to be decided prior to filing of the Letter of Offer being [●].
Refund Bank	The Banker to the Issue with whom the Refund Account will be opened, in this case being [●].
Registrar to the Issue / Registrar and Transfer Agent / RTA	Link Intime India Private Limited
Registrar Agreement	Agreement dated July 31, 2024, entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circular, the Companies Act and any other applicable law as amended from time to time.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. 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 i.e., [●].
Retail Individual Bidders(s) / Retail Individual Investor(s) / RII(s) / RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹ 200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements / REs	<p>Number of the Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of the Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder.</p> <p>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialised form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</p> <p>The Rights Entitlements with a separate ISIN will be credited to the respective demat account of Eligible Equity Shareholder before the Issue Opening Date, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date.</p>
Rights Equity Shares / Rights Shares	Partly paid-up Equity Shares of our Company to be Allotted pursuant to this Issue.
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023 and any other circular or notifications subsequently issued by SEBI in this regard.
Self-Certified Syndicate Bank / SCSBs	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time or at or such other website(s) as maybe prescribed by SEBI from time to time.
Stock Exchange	BSE, where the Equity Shares of our Company are presently listed.
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

Term	Description
	Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter / Fraudulent Borrower	An entity or person categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations and in accordance with the master circular on wilful defaulters issued by RBI.
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Business related Terms

Term	Description
AI	Artificial Intelligence
AIPL	Ace Infoway Private Limited
Architectural CAD	Architectural Computer Aided Design
ATPL	AQE Techtools Private Limited
BIM	Building Information Modeling
CMS	Content Management System
CRM	Customer Relationship Management
ERP	Enterprise Resource Planning
GCC	Gulf Cooperation Council
LATAM	Latin America
ML	Machine Learning
PPC	Pay Per Click
QeCAD	QeCAD Studio LLP
QeNomy	QeNomy Digital LLP
SEO	Search Engine Optimization
SSA	Share Subscription Agreement

Industry related Terms

Term	Description
APAC	Asia-Pacific
BFSI	Banking, financial services and insurance
BPO	Business Process Outsourcing
CAGR	Compound Annual Growth Rate
CERT-In	Indian Computer Emergency Response Team
DSCI	Data Security Council of India
EMEA	Europe, Middle East and Africa
EU	European Union
GDP	Gross Domestic Product
GII	Global Innovation Index
GPU _s	Graphics Processing Units
IAMAI	Internet and Mobile Association of India
IAIC	IndiaAI Innovation Centre
IMF	International Monetary Fund
IT & BPM	Information Technology & Business Process Management
IT Services	Information Technology Services

Term	Description
ITeS Services	Information Technology enabled Services
NASSCOM	National Association of Software and Service Companies
NCoE	National Center of Excellence
R&D	Research and Development
SMAC	Social, Mobile, Analytics and Cloud
STP Scheme	Software Technology Parks Scheme
STPI	Software Technology Parks of India
SEZs	Special Economic Zones
STEM graduates	Science, Technology, Engineering, or Mathematics Graduates
USA	United States of America
UK	United Kingdom
YoY	Year on Year

Conventional Terms and Abbreviations

Term	Description
“₹” / “Rs.” / “Rupees” / “INR”	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor’s Report) Order, 2020
CCIT	Chief Commissioner of Income Tax
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
Central Government	The Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 2013, as amended from time to time
Companies Act, 1956	Erstwhile Companies Act, 1956 and the rules made thereunder
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
CTS	Cheque Truncation System
Depositories Act	The Depositories Act, 1996 as amended from time to time
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant’s Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPS	Earnings per Share
EGM	Extraordinary General Meeting
FCNR Account / FCNR	Foreign Currency Non Resident Account
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FEMA Act / FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FEMA Rules	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
Fiscal /Fiscal Year/ Financial Year/FY	12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018

Term	Description
FPI	Foreign Portfolio Investor
FVCIs	Foreign venture capital investors as defined in and registered with SEBI under the SEBI FVCI Regulations
GCP	General Corporate Purpose
GIR	General Index Registrar
Government/GoI	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IFRS	International Financing Reporting Standards
Ind AS	Indian Accounting Standards
Indian GAAP	Generally accepted accounting principles followed in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
ISIN	International Securities Identification Number
ISRO	Indian Space Research Organisation
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
KMP	Key Managerial Personnel
Lakh	One hundred thousand
LM	Lead Manager
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
NACH	National Automated Clearing House which is a consolidated system of ECS.
NAV	Net Asset Value calculated as Net Worth divided by number of fully paid-up Equity Shares.
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
N.A.	Not Applicable
NI Act	Negotiable Instruments Act, 1881
NR	Non Resident
NRE	Non Resident External Account
NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of the commencement of Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's)) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
p.a.	Per Annum
PAN	Permanent Account Number
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time

Term	Description
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations / ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time
SEBI Takeover Regulations/ SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
U.S./United States	The United States of America
UPI	Unified Payments Interface
USD / US\$	United States Dollars
US Securities Act	The United States Securities Act of 1933, as amended from time to time
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and any other material relating to the Issue (collectively “**Issue Materials**”) to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions. For details, refer to “*Restrictions of Foreign Ownership of Indian Securities*” on page 164 of the Draft Letter of Offer.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email or physical dispatch through registered post /speed post Issue Materials only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Issue Materials will be provided, through email or by registered post / speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Materials from the websites of the Registrar, our Company and the Stock Exchange.

Investors can also access the Issue Materials from the websites of the Stock Exchange, Lead Manager, Registrar and our Company.

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 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 the Issue Materials 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, the 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 the Issue Materials should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Materials to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Materials 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 the Issue Materials.

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 and India, without requirement for our Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in “*Other Regulatory and Statutory Disclosure*” on page 120 Our Company, Lead Manager, the Registrar, 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 the Issue Materials 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, the 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 OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR

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

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (“**UNITED STATES**”), EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OR ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THE ISSUE MATERIALS SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME. IN ADDITION, UNTIL THE EXPIRY OF 40 DAYS AFTER THE COMMENCEMENT OF THE ISSUE, AN OFFER OR SALE OF RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES WITHIN THE UNITED STATES BY A DEALER (WHETHER OR NOT IT IS PARTICIPATING IN THE ISSUE) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

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

Our Company, the Registrar, Lead Manager or any other person acting on behalf of us 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 authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

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

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 is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR TO THE ISSUE. THIS DOCUMENT IS NOT TO BE REPRODUCED OR REDISTRIBUTED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Draft Letter of Offer, unless the context otherwise indicates or implies references to ‘Ace Software Exports Limited’, the ‘Company’, ‘our Company’, the ‘Issuer’ are to Ace Software Exports Limited and references to ‘we’, ‘our’ or ‘us’ are our Company together with QeNomy Digital LLP and QeCAD Studio LLP and our Subsidiaries, on a consolidated basis.

In this Draft Letter of Offer, unless otherwise specified or context otherwise requires, all references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to ‘India’ are to the Republic of India and its territories and possessions and the references herein to ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

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

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. 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 Restated Consolidated Financial Information of our Company for the financial years ended March 31, 2024, 2023 and 2022 and Unaudited Consolidated Financial Results for the three months period ended June 30, 2024. For details, please refer to “*Financial Information*” on page 96 of this Draft Letter of Offer. Our Company’s financial year commences on April 01 and ends on March 31 of the next calendar 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 Restated Consolidated Financial Information for the financial years ended March 31, 2024, 2023 and 2022 and Unaudited Consolidated Financial Results for the three months period ended June 30, 2024 of our Company 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 restated 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 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 also 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, see “*Financial Information*” on page 96 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded 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 Presentations

All references to:

- “Rupees”, “₹”, “INR”, “Rs.” and “Indian Rupees” are to Indian Rupee, the official currency of the Republic of India; and
- ‘US\$’, ‘USD’, ‘\$’ and ‘U.S. dollars’ are to the legal 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. One lakh represents 1,00,000. 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*” beginning on pages 23, 74 and 100 and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Consolidated Financial Information.

Exchange Rate

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

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

Currency	(in ₹)			
	As on June 30, 2024 ⁽¹⁾	As on March 31, 2024 ⁽¹⁾	As on March 31, 2023 ⁽¹⁾	As on March 31, 2022 ⁽¹⁾
1 United States Dollar	83.45	83.37	82.22	75.81

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

(1) In the event that any of the abovementioned dates of any of the respective financial year or periods is a public holiday, the previous Working Day not being a public holiday has been considered.

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, adequacy, completeness, reliability or underlying assumptions are not guaranteed. Similarly, internal surveys, industry forecasts, market research and industry and market data used in this Draft Letter of Offer, while believed to be reliable, have not been independently verified by our Company, the Lead Manager and neither our Company nor the Lead Manager make any representation as to the accuracy of such information. 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 23, 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

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment and geographical locations, in which our Company operates and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements 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 our Company operates 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, the 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:

- Any adverse development in the IT Industry.
- Any significant reduction in demand for the services of our Company.
- Any failure by us to identify, manage, complete and integrate acquisitions and other significant transactions successfully.
- Fluctuations in foreign currency exchange rates which may harm our results of operations.
- Our ability to maintain relationships with our clients;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- General, political, economic, social and business conditions in India and other global markets; and
- Dependence on a number of key management personnel and our ability to attract and retain skilled and qualified personnel.
- As our Company’s Securities are listed on BSE, we must comply with specific requirements and reporting obligations under SEBI’s Listing Regulations. Failure to comply or delays in doing so may result in legal action and/or fines.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 23, 74 and 100, 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 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 nor our Promoter 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 THIS 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 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 the chapters, “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Outstanding Litigation and Defaults” and “Terms of the Issue” beginning on pages 23, 43, 51, 54, 67, 74, 116 and 127 respectively of this Draft Letter of Offer.

1. Summary of Industry

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

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

The data annotation market in India is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI.

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

For further information, please refer to “Industry Overview” beginning on page 67 of this Draft Letter of Offer

2. Primary Business of our Company

Our Company is primarily engaged in the business of document management, digital publishing, data conversion solutions and technology consulting employing efficient process engineering and adaptable conversion systems.

For further information, please refer to “Our Business” beginning on page 74 of this Draft Letter of Offer.

3. Our Promoters

The Promoters of our Company are Vikram Bhupat Sanghani, Sanjay Harilal Dhamsania and Amit Mansukhlal Mehta.

For further details please see chapter titled “Our Promoters” beginning on page 93 of this Draft Letter of Offer.

4. Objects of the Issue

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

		(₹ in Lakhs)
Sr. No.	Particulars	Estimated Amount
1.	Acquisition of balance 60% equity shares in Ace Infoway Private Limited from its existing shareholders.	1,290.00
2.	Investment in QeNomy Digital LLP by way of capital contribution.	1,444.52
3.	Investment in QeCAD Studio LLP by way of capital contribution.	286.34
4.	Additional investment in AQE Techtools Private Limited by way of subscription of equity shares.	800.00
5.	General Corporate Purposes*	1,122.86
Net Proceeds^		4,943.72

* The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

^ Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

For further details, please see the chapter titled “Objects of the Issue” beginning on page 54 of this Draft Letter of Offer.

5. Intention and extent of participation by our Promoters and Promoter Group in the Issue

Our Promoters and members of the Promoter Group *vide* their respective letters dated September 14, 2024 have confirmed that they along with the promoter group intend to subscribe in the issue, to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of Promoter or member of the Promoter Group)

Further, they reserve the right to apply for and subscribe to, additional Rights Equity Shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

For further details, please see the chapter titled “Capital Structure” beginning on page 51.

6. Summary of Financial Information

Following are the details as per the Restated Consolidated Financial Information as at and for Financial Years ended on March 31, 2024; March 31, 2023 and March 31, 2022 and Unaudited Consolidated Financial Results for three months period ended June 30, 2024:

		(₹ in Lakhs)			
Particulars		June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Authorised Share Capital*	Share	1,100.00	1,100.00	600.00	600.00
Paid-up Capital		640.00	640.00	468.00	468.00
Total Revenue		530.95	2,372.31	1,032.35	978.45
Profit after tax		110.59	534.65	11.48	(80.83)
Total comprehensive income/(loss) for the quarter/year	other	1.65	41.63	25.40	43.84
Total Comprehensive income/ (Loss) for the quarter/ year		112.24	576.28	36.88	(36.99)
Earnings per Share (basic & diluted) (in ₹)		1.73	8.35	0.25	(1.73)
Net Asset Value per Equity Share		44.53	42.88	35.03	34.63
Net Worth		2,849.81	2,744.08	1,639.20	1,620.71
Total Borrowings		445.90	190.14	-	176.60

*Authorized share Capital has been increased from ₹600.00 Lakhs to ₹1100.00 Lakhs by passing the special resolution in a duly convened Extra-ordinary General Meeting as on February 02,2024. Further, authorised share capital has been increased from ₹1100.00 Lakhs to ₹1500.00 Lakhs by passing the special resolution in a duly convened Extra-ordinary General Meeting as on July 05,2024.

7. Summary of Outstanding Litigations

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

(₹ in Lakhs)

Nature of Cases	Number of outstanding cases / Demands	Amount Involved*
<i>Litigation involving our Company</i>		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax demands	Nil	Nil
<i>Litigation involving our Directors</i>		
Criminal proceedings against our Directors	Nil	Nil
Criminal proceedings by our Directors	Nil	Nil
Material civil litigation against our Directors	Nil	Nil
Material civil litigation by our Directors	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax demands	Nil	Nil
<i>Litigation involving our Promoters</i>		
Criminal proceedings against our Promoters	Nil	Nil
Criminal proceedings by our Promoters	Nil	Nil
Material civil litigation against our Promoters	Nil	Nil
Material civil litigation by our Promoters	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax demands	Nil	Nil
<i>Litigation involving our Subsidiaries</i>		
Criminal proceedings against our Subsidiaries	Nil	Nil
Criminal proceedings by our Subsidiaries	Nil	Nil
Material civil litigation against our Subsidiaries	Nil	Nil
Material civil litigation by our Subsidiaries	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax demands	4	18.73

* To the extent quantifiable.

* Detailed explanation about the legal proceedings is mentioned in the chapter “Outstanding Litigations and Defaults”.

For details, please refer to chapter titled “Outstanding Litigations and Defaults” on page 116 of this Draft Letter of Offer.

8. 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 see “Risk Factors” on page 23 of this Draft Letter of Offer.

9. Summary of Contingent Liabilities

Following are the details as per the Restated Consolidated Financial Information for the financial years ended March 31, 2024; March 31, 2023 and March 31, 2022 and Unaudited Consolidated Financial Results for three months period ended June 30, 2024.

Particulars	(₹ in Lakhs)			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Claims against the Company not acknowledged as debt	Nil	Nil	Nil	Nil
Other money for which the Company is contingently liable	Nil	Nil	Nil	Nil
Commitments	Nil	Nil	Nil	Nil

10. Summary of Related Party Transactions

For details regarding our related party transactions for the Financial Years 2024,2023 and 2022, please refer “*Financial Statements – Restated Consolidated Financial Statements – Notes to Restated Consolidated Financial Statements – Note 26*” on page F25 of this Draft Letter of Offer.

11. 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.

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

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

13. Exemption from complying with any provisions of Securities Laws, if any, granted by SEBI.

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities Laws.

SECTION II – RISK FACTORS

An investment in the equity shares involves a high degree of risk. You should carefully consider all information in this Draft Letter of Offer, including the risks and uncertainties described below and “Financial Statements” on page 96 of this Draft Letter of Offer, before making an investment in the Equity Shares. Additionally, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future which may impair our business, cashflows, prospects, result of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Industry Overview”, “Our Business” and “Management Discussion and Analysis of Financial Condition and Results of Operations” on page 67, 74 and 100 respectively, included in this Draft Letter of Offer. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, 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 their investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. In making an investment decision, prospective investors must rely on their own examinations and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue.

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 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 which 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. For further details, please see the chapter titled “Forward-Looking Statements” beginning on page 17.

Our financial year ends on March 31 of each year, so all references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Audited Financial Statements and Unaudited Financial Results, which are included in “Financial Information” on page 96 of this Draft Letter of Offer.

INTERNAL RISK FACTORS

- 1. Certain members of our Promoters and Promoter Group are interested in the use of Net Proceeds other than in ordinary course of business, to the extent of their respective shareholding in AIPL and respective partnership interest in QeNomy and QeCAD.***

Our Company is proposing to acquire an additional equity share of AIPL from its respective shareholders who are the members of our Promoters and Promoter Group of our Company and part of the Net Proceeds will be utilized to pay consideration of acquisition for shareholding to such Promoters and Promoter Group.

Further, our Company is proposing to invest an additional funds in QeNomy and QeCAD from the Net Proceeds, which will be further utilised by QeNomy and QeCAD for disbursement of funds to retiring partners in their respective ratios. For further information, please refer to “Objects of the Issue - Other Confirmations” on page 61.

- 2. Our Company has entered into binding agreements with existing shareholders of AIPL and partners of QeNomy and QeCAD for the stated acquisition of shareholding/ownership interest. If we are unable to complete the acquisition of shareholding/ownership interest in the above entities, our prospects, growth and results of our operations may get adversely affected.***

One of the objects of the Issue is to acquire an additional shareholding from the existing shareholders of AIPL and additional ownership interest in QeNomy and QeCAD from their existing partners. Even though, we have entered into binding agreement with the existing shareholders and partners of the above entities, there is no guarantee that the acquisition will be completed in a timely manner or at all.

Failure to achieve anticipated synergies or integration goals could lead to operational disruptions, financial strain and erosion of shareholder value. Additionally, strategic acquisitions / investments may not yield expected returns, resulting in impairment charges or financial losses. Further, once the acquisitions / investments are completed, we cannot assure you that the acquisitions / investments will prove to be beneficial or would enable us to achieve profitability which justifies the acquisition / investment. The foregoing may have an adverse impact on our prospects, growth and results of operations.

To mitigate risks associated with strategic initiatives, we conduct comprehensive due diligence, evaluate strategic fit and cultural alignment and implement rigorous integration plans. By maintaining disciplined investment criteria and prudent risk management practices, we aim to maximise the success of strategic endeavours and enhance long-term shareholder value.

3. ***Our revenues from operations are highly dependent on customers located in the United States. Worsening economic conditions or factors that negatively affect the economic conditions of the United States could materially adversely affect our business, cash flows, financial condition and results of operations.***

Based on Standalone Financial Statements for the financial years ended March 31, 2024, 2023 and 2022 and for three months period ended June 30, 2024, revenue from operations from our external customers located in the United States are as given below:

	June 30, 2024		FY2024		FY2023		FY2022	
	Amount	% [^]	Amount	% [^]	Amount	% [^]	Amount	% [^]
ACE	193.89 [#]	79.82% [#]	762.29	92.87%	749.66	91.41%	759.79	94.16%
AIPL	282.42 [§]	98.08% [§]	1,528.92	98.55%	1,773.97	91.87%	1,149.15	81.15%
QeNomy	337.39 [§]	98.24% [§]	1,200.40	90.34%	768.12	91.21%	351.33	67.92%
QeCAD*	83.74 [§]	83.83% [§]	244.68	82.74%	N.A.	N.A.	N.A.	N.A.

*QeCAD is incorporated in FY 2023-24.

[#]Figures have been derived from limited review unaudited standalone financial results

[§]Figures are Unaudited

[^]% of Total Revenue from operations

Existing and potential competitors to our businesses may increase their focus on the United States markets, which could reduce our market share. The concentration of our revenues from operations in the United States heightens our exposure to adverse developments related to competition, as well as economic, political, regulatory and other changes. United States political campaigns and any related transitions may also bring a degree of political and social uncertainty which may cause capital flows and domestic investment to become more volatile. Any adverse development that affects the overall economy of the United States or sectors or industries in which our competitors operate, could have a material adverse effect on our business, cash flows, financial condition and results of operations.

4. ***We generate a significant portion of our revenues from a small number of customers and any loss or reduction of business from these customers could reduce our revenues and materially adversely affect our business, cash flows, financial condition and results of operations.***

We have derived and believe that in the foreseeable future, we will continue to derive a significant portion of our revenues from a small number of customers which may not be the same every year. Followings are the details of income derived from the top 5 customers of the respective entities:

Amount (in ₹ Lakhs)

	June 30, 2024		FY2024		FY2023		FY2022	
	Amount	% [^]	Amount	% [^]	Amount	% [^]	Amount	% [^]
ACE	242.92 [#]	100.00% [#]	815.07	99.31%	817.57	99.69%	804.68	99.73%
AIPL	277.76 ^S	96.46% ^S	1,474.78	95.06%	1,561.44	80.87%	1,146.25	80.94%
QeNomy	343.45 ^S	100.00% ^S	1,290.79	97.14%	804.95	95.59%	474.96	91.83%
QeCAD*	98.64 ^S	98.75% ^S	292.34	98.86%	N.A.	N.A.	N.A.	N.A.

*QeCAD is incorporated in FY 2023-24.

[#]Figures have been derived from limited review unaudited standalone financial results

^SFigures are Unaudited

[^]% of Total Revenue from operations

Our ability to maintain close relationships with these and other major customers is essential to the growth and profitability of our business. However, the volume and nature of work performed for a specific customer is likely to vary from year to year, especially since we are generally not our customers' exclusive IT services provider and we do not have long-term commitments with most of our customers to purchase our services. A major customer in one year may not provide the same level of revenues for us in any subsequent year. The IT services we provide to our customers and the revenues and net income from those services, may decline or vary as the type and quantity of IT services the customers require change over time. Furthermore, our reliance on any individual customer for a significant portion of our revenues may give that customer a certain degree of pricing leverage against us when negotiating contracts and terms of service.

In addition, a number of factors other than our performance could cause the loss of or reduction in business or revenues from a customer and these factors are not predictable. For example, a customer may decide to reduce spending on technology services or sourcing from us due to a challenging economic environment or other factors, both internal and external, relating to its business, may be involved in litigation or may wind up. Further, factors which are not in our or our customers' control such as the socio-political situation in a particular country or the outbreak of a contagious disease may also impact our business adversely. These factors, among others, may include customers pursuing a corporate restructuring, facing pricing pressure, changing outsourcing strategy, switching to another IT services provider or returning to work in-house.

The loss of any of our major customers, or a significant decrease in the volume of work they outsource to us or the price at which we sell our services to them could materially adversely affect our business, cash flows, financial condition and results of operations.

5. *Our Company and its Promoters may not have significant experience in the digital product segment for which the Company is raising funds.*

Our Company is proposing to invest in ATPL by way of subscription of additional equity shares amounting to ₹800.00 Lakhs. ATPL was incorporated as a wholly owned subsidiary of our Company for venturing into the product business. Our Company in the past was primarily engaged in publishing services such as data conversion, pre-press and digital publishing. Our Company and Promoters may not have significant experience in the product business which we may initiate through ATPL and failure to achieve anticipated business growth could lead to financial strain and erosion of shareholders value. Additionally, new business may not yield expected returns, resulting in financial losses. However, our Company and Promoters do not foresee such challenge as our Promoters were involved in the digital product business through our Subsidiaries.

6. *Our registered office is being utilised by us based on a consent letter given by the partnership firm and there is no definitive agreement executed by us for use of premises as our registered office. If our Company is required to vacate such premises, our business, financial condition and results of operations may be adversely affected.*


Our Company is occupying registered office in Rajkot on the basis of a consent letter given by Ace Software Exports, a partnership firm, for an indefinite term. Vikram Bhupat Sanghani and Sanjay Harilal Dhamsania, Promoters and Whole Time Directors of our Company, are the partners of Ace Software Exports. In the event that, our Company is required to vacate our existing premises, we would be required

to make alternative arrangements and we cannot assure that we will be able to identify and move to new premises within a reasonable period of time and/ or that new arrangements will be on commercially acceptable terms.

7. ***Certain properties from which we operate are not owned by us and we have only leasehold rights and adequate registration fees have not been paid for some of the lease agreements. If we are unable to renew our current leases or if we renew them on terms which are detrimental to us, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition.***

We have entered into a lease-agreements for our few offices. Further, there is no guarantee that these leases/ licenses will be renewed or extended once their terms are complete. Further, the registration fees for certain properties leased by us have not been paid. This issue could lead to potential legal complications, financial penalties, or challenges in enforcing lease agreements, which may adversely affect the Company's operational stability and financial performance. If we are unable to renew or extend our current leases/ licenses, or if we renew or extend them on terms which are detrimental to us, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition. Additionally, this could impact the Company's ability to fully utilize or retain these properties. While the Company is taking steps to address and rectify these issues, there can be no assurance that these measures will fully mitigate any potential risks or financial impacts. For further details of our properties, please refer chapter "Our Business" on page no 74.

8. ***Our Company's logo is not registered as of the date of DLOF. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging a breach of third-party intellectual property rights.***

As on date of DLOF, we have not registered our logo  under the Trademarks Act, 1999, hence, we do not enjoy the statutory protections accorded to a registered logo. We cannot assure you that any application for registration of our logo in future by our Company will be granted by the relevant authorities in a timely manner or at all. Apart from a logo, we have also not registered our brand names under which we provide various services and logos of our Subsidiaries, QeNomy Digital LLP and QeCAD Studio LLP. Further, there can be no assurance that third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. We may not be able to detect any unauthorized use or our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time-consuming and costly and the outcome cannot be guaranteed. For further details of our logo. Please refer to the chapter "Government Approvals- Intellectual Property" on page 119 of this DLOF.

9. ***Our Company has experienced net losses in prior years.***

Our Company has incurred consolidated loss of ₹80.83 Lakhs for the financial year ended March 31,2022. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations -Results of Operations" on page 100. If in future, we experience such losses, our business, cash flows, financial condition and results of operations could be adversely affected. If we are unable to generate adequate revenue growth and manage our expenses and cash flows, we may continue to incur losses in the future.

10. ***Our Company has experienced negative cash flow in prior years.***

Our Company has experienced negative cash flows from operations in the recent past. Our restated consolidated cash flow for the Fiscals 2024, 2023 and 2022 are set forth in the table below:

(₹ in lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cash Flow from Operating Activities	(332.20)	(77.50)	258.36

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cash Flow from Investing Activities	(459.17)	282.67	(226.20)
Cash Flow from Financing Activities	1,267.63	(228.96)	(14.46)
Net increase/decrease in cash and cash equivalents	476.26	(23.79)	17.71

Any negative cash flows in the future could adversely affect our results of operations and financial condition. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 100 for more details.

11. *Our promoters and directors operate in the similar line of business as our Company which may lead to a potential conflict of interest.*

A potential conflict of interest arises from our promoters and directors being involved as designated partners in QeCAD Design LLP and QeApps LLP, which are in the similar line of business as our Company. This situation could lead to divided loyalties and competing interests, where decisions made by our promoters and directors may prioritize their personal ventures over the interests of the Company. They may divert business opportunities, customers, or key resources away from our Company to benefit their personal endeavors. Such actions could result in a loss of business opportunities, market share, or revenue for our Company. Moreover, conflicts of interest may also impair the objectivity of strategic decisions and governance processes, leading to potential legal or reputational risks. Investors should be aware of the inherent challenges and potential impact on our business operations and financial performance. Management remains committed to monitoring and addressing any conflicts to safeguard the interests of our shareholders and stakeholders.

12. *Our success depends substantially on the continuing services of our Promoters, senior executives and other key personnels. If we are unable to attract and retain senior executives, we may not be able to maintain client relationships and grow effectively, which may adversely affect our business, cash flow, results of operations and financial condition.*

Our future success heavily depends upon the continued services of our Promoters, senior executives and other key personnels. If one or more of our senior executives or key personnels are unable or unwilling to continue in their present positions, it could disrupt our business operations and we may not be able to replace them easily or at all. In addition, there is extensive competition within the Indian technology market, owing to an increasing number of players and services, we may be unable to retain our senior executives and key personnels or attract and retain new senior executives and key personnels in the future, in which case our business may be severely disrupted, which could materially adversely affect our business, cash flows, financial condition and results of operations.

If any of our senior executives or key personnels joins a competitor or forms a competing company, we may lose customers, suppliers, know-how and key professionals and staff members to them which may materially adversely affect our business, cash flows, financial condition and results of operations. Also, if any of our business development managers, who generally keep a close relationship with our customers, join a competitor or form a competing company, we may lose customers and our revenues may be materially adversely affected. Additionally, there could be unauthorised disclosure or use of our technical knowledge, practices or procedures by such personnels. If any dispute arises between our senior executives or key personnels and us, any non-competition, non-solicitation and non-disclosure provisions in our employment agreements we have with our senior executives or key personnels might not provide effective protection to us.

13. *If we fail to attract and retain highly skilled IT professionals, we may not have the adequate human resources to complete the projects in a timely manner and failure to attract and retain such IT professionals could materially or adversely affect our business, cash flows, financial condition and results of operations.*

Our success depends largely on the contributions of our IT professionals and our ability to attract and retain qualified IT professionals.

In addition, our ability to maintain and renew existing engagements and obtain new business will depend, in large part, on our ability to attract, train and retain skilled IT professionals, including experienced management IT professionals, which enables us to keep pace with growing demands for outsourcing, evolving industry standards and changing customer preferences. If we are unable to attract and retain the highly skilled IT professionals we need, we may have to forgo projects for lack of resources or be unable to staff projects optimally. Our failure to attract, train and retain IT professionals with the qualifications necessary to fulfil the needs of our existing and future customers or to assimilate new IT professionals successfully could materially adversely affect our business, cash flows, financial condition and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

Companies engaged in the technology industry are required to provide a greater deal of employee satisfaction and morale by providing professional incentives and enabling digital maturity through collaborative support from the workforce. Further, the Indian IT industry has been grappling with an all-time high attrition rate in recent months. Further, there is a limited pool of individuals who have the skills and training needed to help us grow our Company, including a shortage of employees skilled in emerging technologies. We compete for such talented individuals not only with other companies in our industry but also with companies in other industries, such as software services, engineering services, financial services and technology generally, among others. High attrition rates of IT professionals would increase our hiring, reskilling, upskilling and training costs and could have an adverse effect on our ability to complete existing contracts in a timely manner, meet customer objectives and expand our business.

- 14. *We do not have long-term commitments with our customers and our customers may terminate contracts before completion, negotiate adverse terms of the contract or choose not to renew contracts, which could materially adversely affect our business, cash flows, financial condition and results of operations.***

A substantial portion of our revenues is generated from repeat business. Our engagements with our customers are typically for projects that are singular in nature. Even if we successfully deliver contracted services and maintain close relationships with our customers, several factors outside of our control could cause the loss of or reduction in business or revenue from our existing customers. These factors include, among other things:

- the business or financial condition of that customer or the economy;
- changes in the personnel at our customers who are responsible for procurement of information technology or IT services or with whom we primarily interact;
- a demand for price reductions by that customer;
- mergers, acquisitions or significant corporate restructurings involving that customer;
- a decision by that customer to move work in-house or to one or several of our competitors.

- 15. *We operate in a rapidly evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not continue to be successful. If we are not successful, it could materially adversely affect our business, reputation and cash flows.***

The technology services industry is competitive and continuously evolving, subject to rapidly changing demands and constant technological developments. As a result, success and performance metrics are difficult to predict and measure in our industry. As the services and technologies are rapidly evolving and each company within the industry can vary greatly in terms of the services it provides, its business model and its results of operations, it can be difficult to predict how services of companies, including our Company, will be accepted in the market. We may also encounter unforeseen obstacles during the development, implementation and commercialization of these technologies, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Further, given that the technology services industry is subject to rapidly changing demands and constant technological developments, our failure to promptly upgrade our technology may result in disruptions to or lower the quality of our services and our business, results of operations, cash flows and financial condition may be materially and adversely affected.

- 16. *There are pending outstanding tax demands against one of our Subsidiary. Any adverse decision in such demand may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.***

There are no outstanding matters involving moral turpitude or criminal proceedings, statutory and regulatory actions and economic offences involving our Company and Subsidiaries except one of our subsidiary i.e. Ace Infoworld Private Limited, (as mentioned in the following table) is involved in an outstanding tax demands. Further, there are no outstanding pending litigation (including tax proceedings) involving our Company and Subsidiaries, which are considered “material” i.e., if the monetary amount of claim by or against the entity or person, in any such pending litigation, exceeds ₹10.45 Lakhs (“Materiality Threshold”) or any such litigation, an adverse outcome of which would materially and adversely affect our Company’s business, prospects, operations, financial condition or reputation, irrespective of the amount involved in such litigation:

Type of outstanding tax demand	Number of demands	Amount involved (in ₹ lakhs)
<i>Against our Subsidiaries</i>		
Outstanding Tax Demands	4	18.73

For further details, please see “*Outstanding Litigation and Other Material Developments*” on page 116. We cannot assure you that these demands will be decided in our favour or that no legal proceedings will be initiated against our Company and Subsidiaries in the future. Such proceedings, if arises, may adversely affect our business, financial condition and growth strategy.

- 17. *Our business, cash flows, results of operations and financial condition could be negatively affected if we incur legal liability, including with respect to our indemnification obligations, in connection with providing our solutions and services.***

If we fail to meet our contractual obligations or otherwise breach obligations to our customers, we could be subject to legal liability. We may enter into non-standard agreements because we perceive an important economic opportunity or because our personnel did not adequately adhere to our guidelines. In addition, the contracting practices of our competitors may cause contract terms and conditions that are unfavourable to us to become standard in the marketplace. If we cannot or do not fulfill our obligations, we could face legal liability and our contracts might not always protect us adequately through limitations on the scope and/or amount of our potential liability. If we cannot, or do not, meet our contractual obligations to provide solutions and services and if our exposure is not adequately limited through the terms of our agreements, we might face significant legal liability and our business could be materially adversely affected.

- 18. *Our international operations and revenue from operations on export services are subject to many uncertainties and we are exposed to foreign currency exchange rate fluctuations.***

We may be subject to risks inherently associated with international operations, including risks associated with foreign currency exchange rate fluctuations, which may cause volatility in our reported income and risks associated with the application and imposition of protective legislation and regulations relating to import or export or otherwise resulting from foreign policy or the variability of foreign economic conditions.

We transact business in various currencies other than the Indian rupee and have significant customers abroad, which subject us to currency exchange risks. Any fluctuations in foreign currency exchange rates may have an asymmetric impact on our profits, results of operations and cash flows and consequently on our business condition and profitability. As of March 31, 2024, the foreign currency exposure of our Company was USD 9,28,007.40 and GBP 2,350.44.

19. *Increase in employee benefits expenses for our IT professionals could prevent us from sustaining our competitive advantage.*

Employee benefit expenses for IT professionals in India are generally lower than comparable employee benefit expenses in more developed countries. However, employee benefit expenses in the Indian IT services industry may increase faster than in the past, which may make us less competitive unless we can increase the efficiency and productivity of our IT professionals and the prices we can charge for our services. Increases in employee benefit expenses may reduce our profitability. Further, there can be no assurance that the GoI will not impose wage regulations on IT professionals. In addition, the issuance of equity-based compensation to our IT professionals would also result in additional dilution to our shareholders.

20. *Our Company is required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, an accelerated repayment schedule and suspension of further drawdowns, which may adversely affect our business, cash flows, results of operations and financial conditions*

Some of the financing arrangements entered into by our Company include conditions that restrict us to carry out certain activities and entering into certain transactions. Failure to meet these conditions could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such a loan and the conditions negotiated under each financing agreement.

While all necessary conditions for the Issue have been fulfilled, 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 and suspension of further access/withdrawals, either in whole or in part, for the use of the facility.

21. *Our Company has in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest.*

Our Company has entered into various transactions with related parties. In Fiscal 2024, 2023 and 2022, the arithmetic aggregate absolute total of such related party transactions was ₹1,723.13 lakhs, ₹124.78 lakhs and ₹216.24 lakhs, respectively. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. While all related party transactions that we enter into are subject to board or shareholder approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Accordingly, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows.

22. *Our Promoters, certain Subsidiaries and Ace Software Exports (Partnership Firm) have provided personal guarantees to all loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or terminations of the facilities.*

Our Promoters namely Vikram Bhupat Sanghani, Sanjay Harilal Dhamsania, Amit Mansukhlal Mehta and Promoter Group namely Rahul Jayantilal Kalaria, Vaishali Amit Mehta along with Ace Infoworld Private Limited and Ace Software Exports (Partnership Firm) have provided personal and corporate guarantees, respectively, in relation to all loan facilities availed by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactorily to the lenders and as a result may need to

repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition

23. *Our insurance coverage may not be adequate to protect us against certain operating and financial losses and this may have a material adverse effect on our business and cash flow.*

Our Company has obtained insurance coverage in respect of certain risks which consists of physical loss or damage or destruction of some of our office premises. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected.

If we suffer a large uninsured loss, or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition, cash flows and results of operations may be adversely affected.

In addition, our insurance coverage is generally subject to periodic renewal. In the event that premium levels increase, we may not be able to obtain the same levels of coverage in the future as we currently have, or we may only be able to obtain such coverage at substantially higher cost. Alternatively, we may choose not to insure, which, in the event of any damage or destruction to our facilities or defects to our products, could adversely affect our business, financial condition, cash flows and results of operations.

24. *Some of our corporate filings are not traceable. These corporate records may not be available in future and we may be subject to penalty imposed by the competent regulatory authority in this respect.*

Our Company is unable to trace copies of certain corporate filings made in the past, particularly filings with the Registrar of Companies (RoC) with respect to the issuance of securities and buyback of shares prior to 2006. For details of the relevant documents relied upon, to trace the issuance of Securities and buyback of shares of our Company since incorporation, we have relied on the minutes of the meetings from those relevant years. Though our Company has made efforts to retrieve such records however, there is no certainty that these forms or records will be available in the future. Since copies of these regulatory filings are unavailable with us, Our Company cannot assure you that these regulatory filings were duly filed on a timely basis, or at all.

25. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency.*

Our Company propose to utilise the Net Proceeds for the purposes described in “*Objects of the Issue*” on page 54. The funding requirements are based on internal management estimates and current conditions which are subject to changes due to external circumstances, other financial conditions or business strategies. Our proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or any other independent agency and is based on management estimates. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds.

26. *Industry information included in this DLOF has been derived from a publicly available information. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.*

Our Company has not independently verified data obtained from various websites, industry publications and publicly available documents from various industry sources referred to in this Draft Letter of Offer and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete, or reliable. Such data may also be produced on different bases. Industry publications generally state that the information contained in those publications has been obtained from

sources believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government sources and publications are also prepared on the basis of information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information

27. *Our Promoter, Promoter Group, certain Directors and Key Management Personnel have interest in us other than reimbursement of expenses incurred and normal remuneration or benefits.*

Our Promoters, member of the Promoter Group, Directors and Key Management Personnel may be deemed to be interested in our business other than reimbursement of expenses incurred or normal remuneration or benefits owing to their shareholding in our Company, any guarantees extended by them, or other transactions they may separately enter into with our Company. We cannot assure you that conflicts of interest will not arise owing to such interest in our Company, or that any conflict will be resolved in our shareholders' best interests.

For further details, see "Capital Structure" and "Financial Information" on pages 51 and 96, respectively, of this Draft Letter of Offer.

28. *Being in the IT Sector, most, if not all our business operations involve the use of cyber systems. This leaves us more susceptible to cybersecurity threats and any such attack may affect our business operations and cash flow.*

The increasing frequency and sophistication of cyber threats pose significant risks to our business operations, client relationships and overall reputation. Our reliance on digital infrastructure and the storage of sensitive data makes us vulnerable to various cybersecurity threats, including but not limited to, malware attacks, phishing attempts and data breaches. A successful cyber incident could compromise the confidentiality, integrity, or availability of our systems and data, potentially resulting in financial losses, regulatory penalties and damage to our brand reputation. We have implemented robust cybersecurity measures, including advanced threat detection systems, encryption protocols and employee training programs, to mitigate these risks. However, the evolving nature of cyber threats requires continuous monitoring, proactive risk management and investment in cybersecurity technologies and best practices to enhance our resilience against potential cyber-attacks and safeguard our stakeholders' interests.

29. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.*

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. Although such instances have not happened in the past, there can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

30. *Our Company cannot assure payment of dividends on the Equity Shares in the future.*

Our Company does not have a formal dividend policy as on the date of this DLOF. Further, our Company has not declared dividends on the Equity Shares during the current Fiscal and the last three Fiscals. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future.

31. *Trading in the Equity Shares of our Company is under enhanced surveillance measures, which may have an impact on pricing of our Equity Shares and volume of trade.*

As on the date of DLOF, our Equity Shares have been shifted under enhanced surveillance measures (ESM) Stage II, pursuant to which our Shares shall trade under 'Trade for Trade' category with a price band of 2% under periodic call auction on the BSE Limited. Further, we cannot assure whether such surveillance measures will be relaxed or be released at all, which may have a negative impact on volume of trade and price movement.

EXTERNAL RISK FACTORS

32. *The volatile condition of Capital Markets in India may limit our potential to raise capital and may impact the interests of our existing shareholders*

The success of our rights issue is contingent upon prevailing market conditions, which are inherently volatile and subject to rapid fluctuations. Market volatility can significantly impact the pricing and attractiveness of the shares offered during the rights issue. Fluctuations in stock market indices, investor sentiment, or broader economic uncertainties may lead to unpredictable changes in share prices, potentially affecting the subscription levels and overall proceeds generated from the rights issue. Moreover, heightened market volatility could deter potential investors, limiting our ability to raise capital as planned and potentially diluting existing shareholders' interests. It is essential for us to closely monitor market dynamics, communicate effectively with investors and adjust our capital raising strategies as necessary to navigate through periods of market instability and optimize shareholder value.

33. *Investors may not be able to enforce a judgment of a foreign court against our Company outside India.*

Our Company is incorporated under the laws of India. Our Company's assets are located in India and our Company's Directors and Key Management Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the quantum of damages as excessive or inconsistent with Indian public policy.

34. *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. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring 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.

35. *Political, economic or other factors that are beyond our control may have adverse effects on 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.

36. *If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.*

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.

37. *Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) 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 falls under any of the exceptions referred to above, then the prior approval of the RBI will be required for the transfer of shares. Additionally, shareholders who seek to convert the Indian 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. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends

from those securities or the proceeds from the sale of those securities. We cannot assure you that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

Our Company has taken approval from its members vide its resolution dated July 5, 2024, to increase the aggregate investment limit by Non-Resident Indian/ Overseas Citizen of India from 10% to 24% of the paid-up capital of the Company.

38. *A downgrade in ratings of India, may affect the trading price of the Equity Shares.*

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. 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.

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

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our general and microfinance businesses, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations.

The Government has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. Except for certain portions of the Wages Code, which have come into force pursuant to notification by Ministry of Labour and Employment, the rules for implementation under such codes are yet to be notified. Accordingly, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work arrangements (including online and digital platforms), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. The Social Security Code also provides that such schemes may, inter alia, be partly funded by contributions from online platforms. Further, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

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 impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

40. *A third party could be prevented from acquiring control of us post the Issue, because of anti-takeover provisions under Indian law.*

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future

takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that the interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

41. *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.

RISK RELATING TO THE ISSUE AND OBJECTS OF THE ISSUE

42. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form may lapse in case they fail to furnish the details of their demat account to the Registrar.*

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

Further, please note that our Company has opened a separate demat suspense escrow account (namely, "[●]") ("**Demat Suspense Account**") and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund ("**IEPF**") authority; or (c) where the Equity Shares are lying in the unclaimed suspense account / demat suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations); or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are required to provide relevant details (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two Working Days prior to the Issue Closing Date, i.e., by [●], to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner and such lapsing of Rights Entitlementment may dilute and adverse impact the interest of certain Eligible Equity Shareholders. For details, please see “*Terms of the Issue*” on page 127.

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

In accordance with the SEBI Rights Issue Circulars, 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 demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar no later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar no later than two Working Days prior to the Issue Closing Date, shall lapse. 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). For further information, see “*Terms of the Issue*” on page 127.

- 44. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholder’s approval***

Our Company proposes to utilise the Net Proceeds for acquisitions and investments purposes. For further details of the proposed objects of the Issue, please refer chapter titled “Objects of the Issue” beginning on page 54 of this Draft Letter of Offer. In case of any exigencies arising out of business conditions, economic conditions, competition or other factors beyond our control which adversely affect our business, we may require to use the Net Proceeds to meet any other expenditure which cannot be determined with certainty as on the date of this Draft Letter of Offer. In terms of the SEBI ICDR Regulations and the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds or in the terms of any contract as disclosed in this Draft Letter of Offer without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances requiring us to undertake variation in the utilisation of the Net Proceeds disclosed in this Draft Letter of Offer, we cannot assure that we will be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Draft Letter of Offer, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

- 45. *The deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring agency and shall be purely dependent on the discretion of the management of our Company.***

Since the size of the Issue is less than ₹ 10,000 lakhs, no monitoring agency is required to be appointed by our Company to oversee the deployment funds raised through this Issue. The deployment of funds raised through this Issue is at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. The Board of Directors of our Company through Audit Committee will monitor the utilization of the Issue Proceeds. Any inability on our part to effectively utilize the Issue Proceeds could adversely affect our business and financial condition.

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

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. The occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of our Equity Shares will not decline below the Issue Price. To the extent the market price for our Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

47. *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. Renounees may not be able to apply in case of failure of completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the DEMAT account of the Renounees prior to the Issue Closing Date. Further in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "*Terms of the Issue*" on page 127.

48. *Our Company will not distribute the Letter of Offer and other Issue-related materials to overseas shareholders who have not provided an address in India for the service of documents.*

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The Equity Shareholders who have not provided an Indian address to our Company will not be eligible to participate in the Issue and accordingly, their shareholding as a percentage of the paid-up capital of our Company post Issue will stand reduced to the extent of non-participation.

Further, in the case that Eligible Equity Shareholders who have provided an Indian address and have also provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in the case that such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules thereunder with respect to distribution of Issue Material in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company has requested its shareholders to provide an address in India for the purposes of distribution of Issue Material, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject our Company to fines or penalties.

49. *Overseas shareholders may not be able to participate in our Company's future rights offerings or certain other equity issues.*

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to overseas holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the Net Proceeds available to such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for our Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

50. *Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade.*

Investors can start trading the Rights Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Rights Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Rights Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

51. *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.

52. *From the Call Record Date for each Call prior to the final Call, the trading of the Rights Equity Shares would be suspended for a period under applicable law. Further, the Rights Equity Shares will not be traded with effect from the Call Record Date for the final call fixed for the determination of the Investors liable to pay Call Monies, with terms and conditions such as the number of Calls and the timing and quantum of each Call as may be decided by our Board or Rights Issue Committee from time to time. The holders of the Rights Equity Shares will not be able to trade in these securities till they are credited to the holders' account as fully paid-up. Further, until the subsistence of Rights Equity Shares issued by way of this Issue, we may not be able to undertake certain forms of equity*

capital raising.

The Issue Price is ₹ [●]/- (Rupees [●] only) per Rights Equity Share. Investors will have to pay ₹[●]/- (Rupees [●] only) per Rights Equity Share which constitutes [●]% of the Issue Price on Application and the balance ₹[●]/- (Rupees [●] Only) per Rights Equity Shares which constitutes [●]% of the Issue Price on First and Final Call, as determined by our Company's Board of Directors or the Rights Issue Committee at their sole discretion, from time to time. The Rights Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Rights Shares. This may affect the liquidity of the Rights Shares and restrict your ability to sell them.

If our Company does not receive the Call Money from the Rights Shareholders (including the Promoters and members of Promoter Group of our Company) as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Shareholders (including the Promoters and members of Promoter Group of our Company) will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made, in accordance with the Companies Act, 2013 and our Company's Articles of Association. For further details, please refer to the section titled "Terms of the Issue" on page 127 of this Letter of Offer. Rights Shareholders are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll) by investors shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company. If certain investors do not pay the full amount, we may not be able to raise the amount proposed under this Issue.

The ISIN [●] representing partly paid-up Rights Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call-in respect of the partly paid-up Rights Shares, such partly paid-up Rights Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN INE849B01010 for our fully paid-up Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of allottees to whom the notice for the final Call would be sent. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid-up Equity Shares for which final Call have been made, would be suspended prior to the Call Record Date, for such period as may be applicable under the rules and regulations. Furthermore, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these shares until they are credited to the holders' account as fully paid-up Rights Shares. Similarly, for an applicable period, from the Call Record Date for each Call, the trading of the Rights Shares would be suspended under the applicable law.

Further, there is little history of trading of partly paid-up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Rights Shares to fall and may limit ability of Investors to sell the Rights Shares. There may also be a risk of the Rights Shares not forming part of the index.

Further, until the subsistence of Rights Shares, we cannot undertake further rights issues, further public offers, or bonus issues. In terms of Regulations 62 and 104 of the SEBI ICDR Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI ICDR Regulations.

53. *Non-receipt of complete Call Money(ies) may have an impact of a consequential shortfall in Net Proceeds and shall also result in forfeiture of the Rights Equity Shares allotted to such Eligible Equity Shareholders who fail to pay Call Money(ies).*

The Calls shall be deemed to have been made at the time when the resolution authorizing such calls is passed at the meeting of our Board/ Rights Issue Committee. The Calls may be revoked or postponed at the discretion of our Board/ Rights Issue Committee, from time to time. Pursuant to the provisions of the Articles of Association, investors will be given at least 15 days' notice in writing for the payment of the Calls. Our Board/ Rights Issue Committee may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion, may send reminders for the calls as it

deems fit, and if it does not receive the Call Money(ies) as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money(ies) and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact the business and capital expenditure plans. For details, see “*Objects of the Issue*” on page 54.

The non-receipt of the Call Monies within the timelines stipulated would also result in forfeiture of the Rights Equity Shares of such Eligible Equity Shareholders in accordance with the Companies Act, 2013 and Articles of Association.

54. *Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company’s significant shareholders may adversely affect the trading price of our Equity Shares.*

Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further equity shares or that the shareholders will not dispose of, pledge, or otherwise encumber their equity shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

55. *There is no public market for the Rights Equity Shares or Equity Shares outside India.*

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, the holders of the partly paid-up Rights Shares will not be able to trade in these Equity Shares till they are credited to the holders’ account as fully paid-up, and thereafter there will also be no public market for the Rights Shares outside of India. We cannot assure you that the face value of the Rights Shares will correspond to the price at which the Rights Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Shares and Equity Shares and restrict your ability to sell them.

56. *The Rights Equity Shares may experience price and volume fluctuations.*

The market price of the Rights Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India’s economic liberalization and deregulation policies, and significant developments in India’s fiscal regulations. In addition, the Stock Exchange may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Rights Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Rights Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies’ operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

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

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchange during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors

affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchange, the trading of Rights Equity Shares may not track the trading of Equity Shares.

58. *Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.*

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, and the Articles of Association govern the corporate affairs of our Company. Indian legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. In accordance with the provisions of the Companies Act the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company. Further, Section 106(1) of the Companies Act read with the Articles of Association specifically provides that no member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized in excess will be subject to long term capital gains tax in India at the specified rates in case STT was paid on the sale transaction. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("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 will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 a gain upon the sale of the Equity Shares.

60. *Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and 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 before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by the company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on June 05, 2024 and a special resolution by members at their extra ordinary general meeting held on July 05, 2024, pursuant to Section 62(1)(a) of the Companies Act. The terms and conditions of the Issue including the Rights Entitlements, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors/ Rights Issue Committee at its meeting held on [●].

The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “*Terms of the Issue*” on page 127 of this Draft Letter of Offer.

Particulars	Detail of Rights Issue
Rights Equity Shares being offered by our Company	Upto [●] Rights Equity Shares of face value of ₹10 each
Rights Entitlement	[●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date
Fractional Entitlement*	For further details in relation to fractional entitlements, please refer " <i>Terms of the Issue</i> " on page 127 of this Draft Letter of Offer.
Record Date	[●]
Face Value Per Equity Share	₹ 10 each
Issue Price Per Rights Equity Shares	Issue of up to [●] Rights Equity Shares of face value of ₹10 each of our Company for cash at a price of ₹ [●] /- per Rights Equity Share (including a share premium of ₹ [●] per Rights Equity Share) aggregating up to ₹4,992.00 Lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date i.e. [●], [●], 2024. On Application, Investors will have to pay ₹[●] per Rights Equity Share which constitutes [●]% of the Issue Price and the balance ₹[●] per Rights Equity Share which constitutes [●]% of the Issue Price, must be paid, on one or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time.
Issue Size	[●] Rights Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Rights Equity Share up to an amount of up to ₹ 4,992.00 Lakhs* *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the Equity Shares of our Company
Equity Shares issued, subscribed, and paid up prior to the Issue	64,00,000 Equity Shares of face value of ₹10 each. For details, please refer to " <i>Capital Structure</i> " beginning on page 51 of this Draft Letter of Offer.

Particulars	Detail of Rights Issue
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement) and made fully paid up	[●] Equity Shares of face value of ₹10 each [●] partly paid-up Rights Equity Shares of ₹10 each having paid-up value of ₹[●] each
Scrip Details	BSE Scrip Code: 531525 BSE Scrip Symbol: ACESOFT ISIN: INE849B01010
ISIN for Rights Entitlements	[●]
ISIN for Rights Equity Share (Partly Paid-up at the time of application)	[●]
Use of Issue Proceeds	For details, please refer to “ Objects of the Issue ” beginning on page 54 of this Draft Letter of Offer.
Terms of the Issue	For details, please refer to “ Terms of the Issue ” beginning on page 127 of this Draft Letter of Offer.
Use of Issue Proceeds	For details, please refer to “ Objects of the Issue ” beginning on page 54 of this Draft Letter of Offer.

*For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.

Terms of Payment

Payment Schedule is as follows:

Amount payable per rights equity share ⁽¹⁾	Face Value (₹)	Premium (₹)	Total (₹)
On Application	[●]	[●]	[●] ⁽²⁾
On One or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time	[●]	[●]	[●] ⁽³⁾
Total	10.00	[●]	[●]

⁽¹⁾ For further details on Payment Schedule, see “Terms of the Issue” on page 127 of this Draft Letter of Offer.

⁽²⁾ Constitutes [●]% of the Issue Price

⁽³⁾ Constitutes [●]% of the Issue Price

Issue Schedule

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

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

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

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

GENERAL INFORMATION

Our Company was incorporated, as Ace Software Exports Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli dated on August 17, 1994. The Corporate Identification Number of our Company is L72200GJ1994PLC022781. There has been no change in the name of the Company in the last three years. The registered office of the Company is situated at 801, Everest Commercial Complex, Opp Shastri Maidan, Rajkot, Gujarat, India, 360001 Tel. No.: 0281-222 6097, Email id: investorinfo@acesoftex.com, website: www.acesoftex.com. The Equity Shares of the Company are presently listed on BSE with security symbol: ACESOFT and security code: 531525. The ISIN of the Equity Shares is INE849B01010.

Registered and Corporate Office, CIN and Registration Number of our Company.

Ace Software Exports Limited

801, Everest Commercial Complex, Opp Shastri Maidan,
Rajkot - 360001, Gujarat, India.

Telephone: 0281-222 6097

E-mail ID: investorinfo@acesoftex.com

Website: www.acesoftex.com

CIN: L72200GJ1994PLC022781

Registration Number: 022781

Our Company does not have a Corporate Office.

Change in Registered Office of our Company:

Upon incorporation, the Registered Office of our Company was situated at 801, Everest Commercial Complex, Opp Shastri Maidan, Rajkot - 360001, Gujarat, India. Thereafter, our Company have not changed its Registered Office.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli situated at the following address:

Registrar of Companies

ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop,
Naranpura, Ahmedabad -380013, Gujarat, India.

Telephone: 079-27438531

Email ID: roc.ahmedabad@mca.gov.in

Board of Directors of our Company.

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Amit Mansukhlal Mehta	49	Managing Director & CEO	833, Takshshila Society – 2, Near Phulchhab Press, Opp Star Plaza, Rajkot, Gujarat - 360001	00432898
Vikram Bhupat Sanghani	61	Whole Time Director	Street No.-7, Dr. Yagnik Road, Jagnath Plot, Rajkot, Gujarat - 360001	00183818
Sanjay Dhamsonia	Harilal 62	Whole Time Director	801, Ravi Haven, Ketan Park, Avadh Road, Off Kalavad Road, Rajkot, Gujarat - 360005	00013892
Rahul Kalaria	Jayantibhai 55	Whole Time Director	A 901, Kings Heights, Vidya Kunj Society Main Road, Amin Marg, Rajkot, Gujarat – 360001	00432774

Name	Age	Designation	Address	DIN
Dhara Sureshchandra Shah	35	Independent Director	1385 – 5, Salvi no Khancho Dhanasuthar ni pole, Kalupur, Ahmedabad, Gujarat - 380001	06983857
Divyeshkumar Babulal Aghera	54	Independent Director	502, Silver Star Apartment, Opp. Sharda Baug, Shroff Road, Rajkot, Gujarat - 360001	09308587
Sanjiv Pravinchandra Punjani	55	Independent Director	Jalaram Plot 01, University Road, Rajkot, Gujarat – 360007	00418869
Malini Mitesh Shah	52	Independent Director	22 – Trisha Bunglows, Amin Marag, Nr. Chandan Super Market, Opp. Ganga Hall, Rajkot, Gujarat – 360001	10721410
Dharmesh Chandulal Dadhania	48	Independent Director	Maa – 9, Royal Park, Near Dhumketu Hall, Kalawad Road, PO; Saurashtra University Area, Rajkot, Gujarat - 360005	10720100

For a detailed profile of our directors, please refer to the chapter titled “**Our Management**” on page 82 of this Draft Letter of Offer.

Chief Financial Officer

Jyotin Bhadrakant Vasavada, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

Address: 801, Everest Commercial Complex, Opp. Shastri Maidan, Rajkot – 360 001, Gujarat. India.

Telephone: 0281-222 6097

E-mail: jyotinv@acesoftex.com

Company Secretary and Compliance Officer

Mansi Patel is the Company Secretary and Compliance officer of our Company. Her contact details are set forth hereunder:

Address: 801, Everest Commercial Complex, Opp. Shastri Maidan, Rajkot – 360 001, Gujarat. India.

Telephone: 0281-222 6097

E-mail: secretarial@acesoftex.com

Registrar to the Issue

Link Intime India Private Limited

Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, 400 083, Maharashtra

Telephone: +91 8108114949

Email: acesoftware.rights2024@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: acesoftware.rights2024@linkintime.co.in

Contact Person: Ms. Shanti Gopalkrishnan

SEBI Registration No.: INR000004058

Validity of Registration: Permanent

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see the section entitled “*Terms of the Issue*” on page 127 of this Draft Letter of Offer.

Lead Manager to the Issue

Vivro Financial Services Private Limited

Vivro House, 11 Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad - 380007, Gujarat, India.

Telephone: +91-79-4040 4242

Email: investors@vivro.net

Website: www.vivro.net

Investor Grievance Email: investors@vivro.net

Contact Person: Shivam Patel / Jay Dodiya

SEBI Registration Number: INM000010122

CIN: U67120GJ1996PTC029182

Statement of responsibilities of the Lead Manager to the Issuer

Vivro Financial Services Private Limited is the sole Lead Manager to the Issue and all the responsibilities pertaining to co-ordination and other activities in relation to the Issue, shall be performed by them.

Legal Advisor to the Issue

Rajani Associates, Advocates and Solicitors

204-207, Krishna Chambers, 59, New Marine Lines,
Mumbai - 400 020, Maharashtra, India.

Telephone: +91 22 4096 1000

E-mail: sangeeta@rajaniassociates.net

Contact Person: Sangeeta Lakhi

Statutory Auditor of our Company

J. A. Sheth & Associates

507, Aalap-A, Limda Chowk, Subhash Road,
Rajkot – 3600001, Gujarat, India.

Telephone: 0281-258 9276

Email: jingal2005@gmail.com

Contact Person: CA Jingal Sheth

Membership No: 107067

Firm Registration No: 119980W

Peer Review No.: 014739

Expert Opinion

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

Our Company has received written consent from our Statutory Auditors, J. A. Sheth & Associates, Chartered Accountants, 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, to the extent and in their capacity as Statutory Auditors of our Company and in respect of the inclusion of (a) the Restated Consolidated Financial Statements and the examination report dated July 30, 2024 thereon (b) Unaudited Consolidated Financial Results and their report dated July 30, 2024 issued thereon, and (c) the statement of possible special tax benefits dated September 16, 2024 and such consent have not been withdrawn as of the date of this Draft Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Changes in Auditors during the last three years

Except as disclosed below, there has been no change in the Statutory Auditors of our Company during the last three years:

Details of Auditor	Address & Email	Date of Change	Reason for Change
J. A. Sheth & Associates <i>Firm registration number:</i> 119980W <i>Peer review number:</i> 014739	507, Aalap A, Limda Chowk, Subhash Road, Rajkot – 360001, Gujarat. Email: jingal2005@gmail.com	September 29, 2022	Appointed in place of the retiring auditors
H.B. Kalaria & Associates <i>Firm registration number:</i> 104571W <i>Peer review number:</i> 010958	A-601/602, The Imperial Heights 150 ft. Ring Road, Rajkot – 360001, Gujarat. Email: info@hbkalaria.in	September 29, 2022	Cessation due to retirement

Bankers to the Company

Bank of Baroda

Jagnath area branch, 1st floor, Blue diamond,
9, Ramkrishna Nagar, Rajkot – 360 001, Gujarat.

Telephone: +91-0281-2468450

Contact Person: Dr. Mukesh Kumar

E-mail: jagnat@bankofbaroda.com

Website: www.bankofbaroda.in

ICICI Bank

Shop No. 3, Gr. Floor, Dev Aurum, 100 Ft Road,
Pralhad Nagar, Ahmedabad – 380015, Gujarat.

Telephone: 9512021085

Contact Person: Mitul Rathod

E-mail: mitul.rathod@icicibank.com

Website: www.icicibank.com

Bankers to the Issue/ Refund Bank

[●]

Address: [●]

Telephone: [●]

Email: [●]

Website: [●]

Contact Person: [●]

SEBI Registration No.: [●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Inter-se Allocation of Responsibilities

Vivro Financial Services Private Limited, being the sole Lead Manager to the Issue, will be responsible for coordination and other activities in relation to the Issue and hence, a statement of inter-se allocation of responsibilities is not required.

Credit Rating

As the issue is of Equity Shares, credit rating is not required.

Debenture Trustees

As the issue is of Equity Shares, appointment of Debenture Trustee is not required.

Monitoring Agency

Since the size of the Issue is less than ₹10,000 Lakhs, our Company is not required to appoint a monitoring agency in relation to this Issue.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution or any other independent agency.

Underwriting Agreement

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

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc. Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application was submitted by the ASBA Investors through ASBA process.

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 ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer was filed with BSE Limited and not with SEBI. However, this Draft Letter of Offer will be submitted with SEBI for information and dissemination purposes and will also be filed with the Stock Exchange.

Issue Schedule

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

Event	Indicative Date
Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation Rights [#]	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]

Event	Indicative Date
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 Rights Issue 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., [●]day, [●], 2024 to enable credit of the Rights Entitlements to their respective demat accounts by transfer from the demat escrow account, which will happen one day prior to the Issue Closing Date, i.e., [●]day, [●], 2024.

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. For details on submitting Application Forms, please refer to "**Terms of the Issue - Procedure for Application**" beginning on page 138 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 www.linkintime.co.in after entering 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 130 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders or the Renounee 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 or off-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 and apply for Equity Shares offered under Rights Issue, if they want to subscribe to the Equity Shares offered under the Rights Issue.

Minimum Subscription

The objects of the Issue do not involve financing of capital expenditure. Further, Our Promoters and Promoter Group have undertaken that they shall subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoters or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

In terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription of 90% is not applicable to the Issue.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

(in ₹ Lakhs, except shares data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price.
A.	Authorised Share Capital		
	1,50,00,000 Equity Shares of face value of ₹ 10/- each	1,500.00	NA
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	64,00,000 Equity Shares of face Value of ₹ 10/- each	640.00	NA
C.	Present Issue in terms of this Draft Letter of Offer ⁽¹⁾		
	Up to [●] partly paid-up Right Equity Shares, each at a premium of ₹ [●] Per Right Equity Shares, i.e. at a price of ₹ [●] Per Right Equity Shares ⁽²⁾	[●]	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue ⁽³⁾		
	[●] Equity Shares of face Value ₹ 10/- each, fully paid-up ⁽¹⁾	[●]	NA
	Subscribed and Paid-up Equity Share Capital		
	64,00,000 Equity Shares of face Value of ₹ 10/- each	640.00	
	[●] partly paid-up Equity Shares of ₹ 10 each ⁽⁴⁾	[●]	
E.	Securities Premium Account		
	Before the Issue		430.00
	After the Issue		[●]*

⁽¹⁾ The Issue has been authorised by a resolution of our Board passed at its meeting held on June 05, 2024, and a special resolution by members at their extra ordinary general meeting held on July 05, 2024, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue, including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Rights Issue Committee of the Board at their meeting held on [●], 2024.

⁽²⁾ On Application, Investors will have to pay ₹[●]/- per Rights Equity Share which constitutes [●]% of the Issue Price and the balance ₹[●]/- per Rights Equity Share which constitutes [●]% of the Issue Price, will have to be paid, on Calls, as determined by our Board / Rights Issue Committee at its sole discretion from time to time.

⁽³⁾ Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares. Please note that the Payment Schedule and the right to call up the remaining paid-up capital in first and final call will be as determined from time to time, at its sole discretion, by our Board or its Rights Issue Committee.

⁽⁴⁾ Assuming full payment of all Call Monies by holders of Rights Equity Shares.

*Subject to finalization of Basis of Allotment and Allotment of Rights Equity Shares.

NOTES TO CAPITAL STRUCTURE

1. Details of Outstanding instruments.

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. Further, our Company does not have any employee stock option scheme or employee stock purchase scheme.

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

Our Promoters and members of the Promoter Group *vide* their respective letters dated September 14, 2024 have confirmed that they along with the promoter group intend to subscribe in the issue, to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of Promoter or member of the Promoter Group)

Further, they reserve the right to apply for, and subscribe to, additional Rights Equity Shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement prescribed under the SCRR and the SEBI Listing Regulations

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

3. The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●] per equity share.
4. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.
5. As on the date of filing this Draft Letter of Offer, our Company has no partly paid-up Equity Shares.
6. As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.
7. Our Company does not have any employee stock option scheme or employee stock purchase scheme.

8. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations:

- i. The shareholding pattern of our Company as on June 30, 2024, can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/ace-software-exports-ltd/acesoft/531525/shareholding-pattern/>.
- ii. Statement showing the shareholding pattern of the Promoter including details of lock-in, pledge of and encumbrance thereon, as on June 30, 2024, can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/ace-software-exports-ltd/acesoft/531525/shareholding-pattern/>.
- iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2024 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=531525&qtrid=122.00&QtrName=June%202024..>

9. Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the Stock Exchange:

The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid - up Equity Share capital of our Company, as on June 30, 2024, can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=531525&qtrid=122.00&QtrName=June%202024>.

10. Details of Equity Shares locked-in, pledged, encumbrance by Promoter and Promoter Group:

The Equity Shares of our Promoters and Promoter Group aggregating to 17,82,102 Equity Shares have been locked in, in accordance with SEBI (ICDR) Regulations on account of preferential allotment undertaken by our Company on February 12, 2024.

11. Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Draft Letter of Offer:

Except as detailed below, none of our Promoters or Promoter Group have acquired any securities in the last one year, immediately preceding the date of filing of this Draft Letter of Offer.

Sr. No.	Name	Promoter/ Promoter Group Entity	Date of Transaction	Number of Equity Shares	Nature of Transaction
1.	Sanjay Harilal Dhamsania	Promoter	June 25, 2024	900	Inter se Transfer between Promoter Group
			August 21, 2024	2,200	Inter se Transfer between Promoter Group
2.	Rahul Jayantibhai Kalaria	Promoter Group	February 12, 2024	3,12,330	Preferential Allotment
3.	Rahul J. Kalaria- HUF	Promoter Group	February 12, 2024	50,000	Preferential Allotment
4.	Amit Mansukhlal Mehta	Promoter	February 12, 2024	8,47,360	Preferential Allotment
			May 03, 2024	220	Open Offer
5.	Vaishali Amit Mehta	Promoter Group	February 12, 2024	4,00,000	Preferential Allotment

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.

OBJECTS OF THE ISSUE

The Issue comprises an issue of up to [●] Equity Shares by our Company, aggregating up to ₹4,992.00 lakhs. For details see "*The Issue*" beginning on page 43 of this Draft Letter of Offer.

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

1. Acquisition of balance 60% equity shares of Ace Infoway Private Limited from its existing shareholders;
2. Investment in QeNomy Digital LLP by way of capital contribution;
3. Investment in QeCAD Studio LLP by way of capital contribution;
4. Additional investment in AQE Techtools Private Limited by way of subscription of equity shares; and
5. General Corporate Purposes.

(Collectively, referred to hereinafter as the "*Objects*")

We intend to utilize Net Proceeds, which will be the gross proceeds raised through the Issue (the "*Issue Proceeds*") after deducting the Issue-related expenses for the abovementioned Objects.

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 we have been carrying on to date are in accordance with the objects clause of our MOA.

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

Particulars	(₹ in Lakhs) Amount
Gross proceeds from the Issue [#]	Up to 4,992.00
Less: Estimated Issue related expenses*	48.28
Net Proceeds of the Issue*	4,943.72

#Assuming full subscription and finalization of the Basis of Allotment and receipt of Call monies with respect to Rights Equity Shares and to be adjusted as per Rights Entitlement

**Estimated and subject to change at the time of filing of Letter of Offer.*

Requirement of Funds and Utilization of Net Proceeds

The intended use of the Net Proceeds of the Issue is set forth in the following table:

Sr. No.	Particulars	(₹ in Lakhs) Total estimated amount to be utilized
1.	Acquisition of balance 60% equity shares of Ace Infoway Private Limited from its existing shareholders;	1,290.00
2.	Investment in QeNomy Digital LLP by way of capital contribution;	1,444.52
3.	Investment in QeCAD Studio LLP by way of capital contribution;	286.34
4.	Additional investment in AQE Techtools Private Limited by way of subscription of equity shares; and	800.00
5.	General Corporate Purpose*	1,122.86
	Net Proceeds[#]	4,943.72

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

#Assuming full subscription and finalization of the Basis of Allotment and receipt of Call monies with respect to Rights Equity Shares and to be adjusted as per Rights Entitlement.

Proposed Schedule of Implementation and Deployment of Proceeds from the Issue

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the following table:

(₹ in Lakhs)				
Sr. No.	Particulars	Amount to be funded from		Estimated deployment in FY 2024-25
		Application Money Proceeds	Call Money Proceeds	
1.	Acquisition of balance 60% equity shares of Ace Infoway Private Limited from its existing shareholders;	[●]	[●]	1,290.00
2.	Investment in QeNomy Digital LLP by way of capital contribution;	[●]	[●]	1,444.52
3.	Investment in QeCAD Studio LLP by way of acquisition of capital contribution;	[●]	[●]	286.34
4.	Additional investment in AQE Techtools Private Limited by way of subscription of equity shares; and	[●]	[●]	800.00
5.	General Corporate Purpose*	[●]	[●]	1,122.86
	Net Proceeds#	[●]	[●]	4,943.72

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

#Assuming full subscription and finalization of the Basis of Allotment and receipt of Call monies with respect to Rights Equity Shares and to be adjusted as per Rights Entitlement.

The funding requirements mentioned above are based on the current requirement of our business and our Company may revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of our management, subject to compliance with applicable laws. If additional funds are required for the purposes mentioned above, such requirements may be met through internal accruals, additional capital infusion, debt arrangements or a combination of them, subject to compliance with applicable laws. Further, in case the Net Proceeds are not utilised as scheduled in a Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Board, in compliance accordance with applicable laws.

If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities, including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Means of Finance

Our Company proposes to meet the funding requirements for the proposed Objects of the Issue from the Net Proceeds. Therefore, pursuant to Regulation 62(1)(c) of the SEBI ICDR Regulations, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of the Objects

The details of the Objects of the Issue are set forth below:

1. Acquisition of balance 60% equity shares of Ace Infoway Private Limited (“AIPL”) from its existing shareholders.

Ace Infoway Private Limited was incorporated on February 17, 1999. The CIN of AIPL is U45201GJ1999PTC035442. The registered office of AIPL is situated at 801, Aalap B, Limda Chowk, Dr. Rajendraprasad Road, Rajkot - 360001, Gujarat, India. AIPL is engaged in the business of product engineering, digital transformation, integrations, data analytics, machine learning (ML), web & mobile

application development, website development, platform migrations, ecommerce development and cloud development.

Our Company proposes to utilize ₹1,290.00 Lakhs from the Net Proceeds of the Issue towards acquisition of the balance 1,20,000 equity shares of face value of ₹10/- each representing 60.00% of the equity share capital of Ace Infoway Private Limited from its existing shareholders as per details set forth below:

Sr. No.	Name of shareholder	Equity Shares	%	Amount
1.	Jhamkunver H Dhamsania	29,375	14.69%	315.78
2.	Amit Mansukhlal Mehta	21,350	10.68%	229.51
3.	Jayantilal B. Kalaria	13,125	6.56%	141.09
4.	Harsha Rahul Kalaria	13,000	6.50%	139.75
5.	Vikram B. Sanghani – HUF	10,060	5.03%	108.15
6.	Sohel Vikrambhai Sanghani	7,450	3.73%	80.09
7.	Dev Vikram Sanghani	7,450	3.73%	80.09
8.	Amit M. Mehta – HUF	6,850	3.43%	73.64
9.	Jay B. Sanghani	6,240	3.12%	67.08
10.	Vaishali Amit Mehta	3,000	1.50%	32.25
11.	Madhavi Sanjay Dhamsania	1,825	0.91%	19.62
12.	Rahul J. Kalaria – HUF	275	0.14%	2.96
	Total	1,20,000	60.00%	1,290.00

Pursuant to a share purchase and subscription agreement dated January 6, 2024, our Company acquired 80,000 equity shares of face value of ₹10/- each representing 40.00% of the issued, subscribed and paid-up capital of AIPL, valued at ₹860.00 Lakhs, which was approved by our Board in its meeting held on January 06, 2024 and by shareholders in the Extra-ordinary general meeting held on February 02, 2024.

On July 30, 2024, our Company executed a share purchase agreement, with the abovementioned shareholders of AIPL, to acquire the balance equity shares of AIPL. The proposed acquisition was approved by our Board in its meeting held on June 05, 2024 and by the shareholders at the Extra-ordinary general meeting held on July 05, 2024. The proposed acquisition will result in AIPL becoming a wholly owned subsidiary of our Company, which will help us to integrate the operations of both entities.

Our Company has decided the acquisition value based on the valuation report obtained from Devang S. Thakar, Registered Valuer (SFA) (RV No. IBBI/RV/03/2022/14881) dated June 5, 2024.

For further details, please see the section titled “*Risk factors – Certain members of our Promoters and Promoter Group are interested in use of Net Proceeds other than in ordinary course of business, to the extent of their respective shareholding in AIPL and respective ownership interest in QeNomy and QeCAD*” on page 23.

2. Investment in QeNomy Digital LLP (‘QeNomy’) by way of capital contribution.

QeNomy Digital LLP was incorporated on March 31, 2017. The LLPIN of the Firm is AAJ-0232. QeNomy’s registered office is situated at 801, Aalap B, Limda Chowk, Rajkot - 360001, Gujarat, India. QeNomy is primarily engaged in the business of web/software development, mobile applications, digital marketing and other allied IT Services.

The existing partners and capital contribution/profit sharing ratio of QeNomy is set forth in the following table:

Sr. No.	Name of existing partners	% of capital contribution / profit sharing
1.	Ace Software Exports Limited	40.00%

Sr. No.	Name of existing partners	% of capital contribution / profit sharing
2.	Vikram Bhupat Sanghani	15.60%
3.	Sanjay Harilal Dhamsania	15.60%
4.	Amit Mansukhlal Mehta	15.60%
5.	Rahul Jayantibhai Kalaria	13.20%
Total		100.00%

Our Board in its meeting held on January 06, 2024 and our shareholders at the Extra-ordinary general meeting held on February 02, 2024 approved capital contribution in QeNomy. Pursuant to a 'Supplement LLP Agreement' dated April 10, 2024, our Company acquired 40% partnership interest of QeNomy, valued at ₹963.02 Lakhs.

Our Company proposes to utilize ₹1,444.52 Lakhs from the Net Proceeds of the Issue, for further capital contribution in QeNomy which has been approved by our Board at its meeting held on June 05, 2024 and our shareholders at the Extra-ordinary general meeting held on July 05, 2024.

QeNomy will further utilize the funds to retire the existing partners namely Vikram Bhupat Sanghani, Sanjay Harilal Dhamsania, Rahul Jayantilal Kalaria and Amit Mansukhlal Mehta to the extent of their partnership interest in QeNomy as per the details set forth in the following table:

		(₹ In Lakhs)
Partners		Amount
Vikram Bhupat Sanghani		375.57
Sanjay Harilal Dhamsania		375.57
Amit Mansukhlal Mehta		375.57
Rahul Jayantibhai Kalaria		317.80
Total		1,444.52

Subsequently, our Company will have 100% partnership interest in QeNomy, subject to following conditions:

- **Registered Partner:** Amit Mansukhlal Mehta will be listed as a formal partner of the LLP, holding a nominal stake of 1%.
- **Beneficial Ownership:** Although, Amit Mansukhlal Mehta will be the registered partner, the beneficial interest and ownership associated with this nominal stake will belong to Ace Software Exports Limited (the "Beneficial Owner"). Amit Mansukhlal Mehta will have no financial or decision-making rights over this stake; all profits, voting rights and liabilities will vest with and be the responsibility of Ace Software Exports Limited.

The proposed investment will increase our holding in QeNomy which will help to integrate the operations of both entities.

Our Company has decided the investment value based on the valuation report obtained from Devang S. Thakar, Registered Valuer (SFA) (RV No. IBBI/RV/03/2022/14881) dated June 5, 2024.

For further details, please see the section titled "*Risk factors – Certain members of our Promoters and Promoter Group are interested in use of Net Proceeds other than in ordinary course of business, to the extent of their respective shareholding in AIPL and respective ownership interest in QeNomy and QeCAD*" on page 23.

3. Investment in QeCAD Studio LLP (QeCAD) by way of capital contribution.

QeCAD Studio LLP was incorporated on May 27, 2023. The LLPIN of QeCAD is ACB-3732. QeCAD's registered office is situated at 801, Aalap B, Limda Chowk, Rajkot - 360001, Gujarat, India. QeCAD is

primarily engaged in the business of delivering architectural CAD, BIM and rendering digital solutions, 3D modeling.

The existing partners and capital contribution/profit sharing ratio of QeNomy is set forth in the following table:

Sr. No.	Name of existing partners	% of capital contribution / profit sharing
1.	Ace Software Exports Limited	40.00%
2.	Vikram Bhupat Sanghani	15.60%
3.	Sanjay Harilal Dhamsania	15.60%
4.	Amit Mansukhlal Mehta	15.60%
5.	Rahul Jayantibhai Kalaria	13.20%
Total		100.00%

Our Board in its meeting held on January 06, 2024 and shareholders in the Extra-ordinary general meeting held on February 02, 2024 approved the capital contribution in QeCAD. Further, our Company vide a 'Supplement LLP Agreement' dated February 15, 2024, acquired 40% partnership interest of QeCAD, valued at ₹190.90 Lakhs.

Our Company proposes to utilize ₹286.34 Lakhs from the Net Proceeds of the Issue for further capital contribution in QeCAD which has been approved by our Board at its meeting held on June 05, 2024 and our shareholders at their Extra-ordinary general meeting held on July 05, 2024.

QeCAD will further utilize the funds to retire the existing partners namely Vikram Bhupat Sanghani, Sanjay Harilal Dhamsania, Rahul Jayantilal Kalaria and Amit Mansukhlal Mehta to the extent of their partnership interest in QeCAD as per the details set forth in the following table:

Partners	Amount
Vikram Bhupat Sanghani	74.45
Sanjay Harilal Dhamsania	74.45
Amit Mansukhlal Mehta	74.45
Rahul Jayantibhai Kalaria	62.99
Total	286.34

(₹ In Lakhs)

Subsequently, our Company will have 100% partnership interest in QeCAD, subject to following conditions:

- **Registered Partner:** Amit Mansukhlal Mehta will be listed as a formal partner of the LLP, holding a nominal stake of 1%.
- **Beneficial Ownership:** Although, Amit Mansukhlal Mehta will be the registered partner, the beneficial interest and ownership associated with this nominal stake will belong to Ace Software Exports Limited (the "Beneficial Owner"). Amit Mansukhlal Mehta will have no financial or decision-making rights over this stake; all profits, voting rights, and liabilities will vest with and be the responsibility of Ace Software Exports Limited.

The proposed investment will increase our holding in QeCAD which will help to integrate the operations of both the entities.

The Company has decided the investment value based on the valuation report obtained from Devang S. Thakar, Registered Valuer (SFA) (RV No. IBBI/RV/03/2022/14881) dated June 5, 2024.

For further details, please see the section titled "Risk factors – Certain members of our Promoters and Promoter Group are interested in use of Net Proceeds other than in ordinary course of business, to the extent of their respective shareholding in AIPL and respective ownership interest in QeNomy and QeCAD" on page 23.

4. Additional investment in AQE Techtools Private Limited (“ATPL”) by way of subscription of equity shares.

AQE Techtools Private Limited was incorporated on July 04, 2024, as a wholly owned subsidiary of the Company. The CIN of the Company is U58202GJ2024PTC153186. The registered office of ATPL is situated at 801, Everest Commercial Complex, Opp. Shastri Maidan, Rajkot, Gujarat - 360001, India. ATPL is engaged in the business of development of digital products, including software, web, mobile, and SaaS-based solutions.

Our Company proposes to utilize ₹800.00 Lakhs from the Net Proceeds of the Issue towards subscription of additional equity shares of ATPL which has been approved by our Board by way of a resolution passed at its meeting held on July 30, 2024.

ATPL will further utilize the funds for development of digital products namely, Smart Production Planning and Scheduling (**‘Smart PPS’**). The Smart PPS solution is tailored to meet the complex needs of engineering industries, focusing on optimizing machine shop floor operations. The system effectively manages production workflows, including pallet management, ensuring seamless machine utilization and minimizing downtime to support the complexities of manufacturing, which ensures precision and smooth operations across all production stages. Key features of the Smart PPS are set forth below:

1. Advanced Algorithms – The solution leverages various algorithms for efficient resource allocation and planning optimization.
2. Real-time Adjustments – It allows for real-time changes, providing accurate scheduling that enhances overall productivity and operational efficiency.
3. Resource Planning - Efficiency utilizing workforce management, the amount of production times required for making goods and equipment availability
4. Waste Management – Reduce manufacturing waste and eliminate excess materials in the purchase management process

The details of the proposed utilisation by ATPL is set forth below:

Product Team	Estimated No. of workforce required	Amount (in ₹ Lakhs)
Development Team		
Business Analyst	8	120.00
Software Engineer	12	264.00
Architecture	4	160.00
Tester	4	72.00
Data Engineer	2	30.00
Principal Engineer	3	75.00
Onboarding Team		
Business Analyst	2	26.00
Software Engineer	2	30.00
License Specialist	1	18.00
Customer Success Officer	1	20.00
Support Team		
Support Executive	3	30.00
Total Cost		845.00*

**ATPL may, in consultation with our Company and management team, decide to develop the aforementioned product in-house or outsource it, based on the viability of such business decision in the best interest of ATPL, our Company and respective shareholders.*

**Out of the total estimated cost of ₹845.00 Lakhs, ATPL proposes to utilise ₹800.00 Lakhs from the investment by our Company. The shortfall of ₹45 Lakhs will be met in a phased manner through internal accruals.*

5. General Corporate Purpose:

We intend to deploy ₹[●] Lakhs from the Net Proceeds towards General Corporate Purposes. The General Corporate Purposes include but are not limited to funding our growth opportunities, strengthening our marketing capabilities and brand-building exercises, strategic initiatives, general maintenance, and entering into joint ventures/ partnerships/tie-ups or contingencies in the ordinary

course of business, which may not be foreseen, or any other purpose as approved by our Board subject to compliance with regulatory requirements and obtaining necessary approvals, as applicable. Our management, in accordance with the policies of our Board, will have flexibility in utilising the Net Proceeds earmarked for General Corporate Purposes. However, the amount to be utilized for General Corporate Purposes will not exceed 25% (Twenty-Five Percent) of the Gross Proceeds.

Estimated Issue Related Expenses

The estimated Issue related expenses are set forth in following table:

Particulars	Estimated Expenses (₹ in lakhs)	As a % of total Estimated Issue related expenses	As a % of Issue size
Fees of the Lead Manager	22.50	46.61	0.45%
Registrar to the Issue	3.00	6.21	0.06%
Legal Advisor	5.00	10.36	0.10%
Other professional service providers and statutory fee	1.75	3.62	0.04%
Fees payable to regulators, including depositories, SEBI, and Stock Exchange	11.75	24.33	0.24%
Statutory Advertising, Printing and Distribution	2.50	5.18	0.05%
Other expenses (including miscellaneous expenses and stamp duty)	1.78	3.69	0.04%
Total estimated Issue expenses*	48.28	100.00	0.97%

**Assuming full subscription, subject to receipt of Call Monies with respect to Rights Issue, finalization of Basis of Allotment and actual Allotment. All Issue related expenses will be paid out of the Gross Proceeds from the Issue. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be borne by the Company from internal accruals.*

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 scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 and as may be approved by our Board of Directors or a duly constituted committee thereof. In accordance with the Companies Act, 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 buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

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

Monitoring Utilization of Funds from Issue

Since the Issue Size is less than ₹10,000 lakhs, in terms of Regulation 82 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of monitoring the utilisation of Net Proceeds by our Company. As required under Regulation 18 of the SEBI Listing Regulations, the Audit Committee of 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 required details of utilization /applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the 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 Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the Objects stated in this Draft Letter of Offer. Further, this information shall be furnished to the Stock Exchange 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.

Appraisal Entity

The funding requirements mentioned above are based on the internal management estimates of our Company and have not been appraised by any bank, financial institution or any other external agency.

Strategic and Financial Partners

There are no strategic or financial partners to the Objects.

Variation in Objects

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the 'Shareholder Notice') shall specify the prescribed details as required under the Companies Act and applicable rules. The Shareholder Notice will simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. For details, see '*Risk Factors - Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholder's approval.*' on page 37.

Key Industry Regulations

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the Objects.

Other Confirmations

- Our Company shall purchase equity shares of AIPL from the following shareholders of AIPL:

(Amount in ₹ Lakhs)

Sr. No.	Name of shareholder	Equity Shares	%	Amount
1.	Jhamkunver H Dhamsania	29,375	14.69%	315.78
2.	Amit Mansukhlal Mehta	21,350	10.68%	229.51
3.	Jayantilal B. Kalaria	13,125	6.56%	141.09
4.	Harsha Rahul Kalaria	13,000	6.50%	139.75
5.	Vikram B. Sanghani – HUF	10,060	5.03%	108.15
6.	Sohel Vikrambhai Sanghani	7,450	3.73%	80.09
7.	Dev Vikram Sanghani	7,450	3.73%	80.09
8.	Amit M. Mehta – HUF	6,850	3.43%	73.64
9.	Jay B. Sanghani	6,240	3.12%	67.08
10.	Vaishali Amit Mehta	3,000	1.50%	32.25
11.	Madhavi Sanjay Dhamsania	1,825	0.91%	19.62
12.	Rahul J. Kalaria – HUF	275	0.14%	2.96
	Total	1,20,000	60.00%	1,290.00

**Our Company currently holds 40.00% of the shareholding in AIPL. For further details, kindly refer to “Details of the Objects” on page no. 55 and Risk factor – Certain members of our Promoters and Promoter Group are interested in use of Net Proceeds other than in ordinary course of business, to the extent of their respective shareholding in AIPL and respective ownership interest in QeNomy and QeCAD” on page no. 23.*

2. Our Company is proposing to invest ₹1,444.52 Lakhs in QeNomy, which QeNomy will in turn use for disbursement of funds to its respective partners as per their capital contribution / profit sharing ratio pursuant to their retirement from the QeNomy, the details of which are as follows:

Designated Partners	%*	Amount (₹ in lakhs)
Vikram Bhupat Sanghani	15.60%	375.57
Sanjay Harilal Dhamsania	15.60%	375.57
Amit Mansukhlal Mehta	15.60%	375.57
Rahul Jayantibhai Kalaria	13.20%	317.80
Total	60.00%	1,444.52

**Our Company has a 40% partnership interest in QeNomy. For further details, kindly refer to “Details of the Objects” on page no. 55 and Risk factor – Certain members of our Promoters and Promoter Group are interested in use of Net Proceeds other than in ordinary course of business, to the extent of their respective shareholding in AIPL and respective ownership interest in QeNomy and QeCAD” on page no. 23.*

3. Our Company is proposing to invest ₹286.34 Lakhs in QeCAD, which QeCAD will in turn use for disbursement of funds to its respective partners as per their capital contribution / profit sharing ratio pursuant to their retirement from the QeCAD, the details of which are as follows:

Designated Partners	%*	Amount (₹ in lakhs)
Vikram Bhupat Sanghani	15.60%	74.45
Sanjay Harilal Dhamsania	15.60%	74.45
Amit Mansukhlal Mehta	15.60%	74.45
Rahul Jayantibhai Kalaria	13.20%	62.99
Total	60.00%	286.34

**Our Company has 40% partnership interest in QeCAD. For further details, kindly refer to “Details of the Objects” on page no. 55 and Risk factor – Certain members of our Promoters and Promoter Group are interested in use of Net Proceeds other than in ordinary course of business, to the extent of their respective shareholding in AIPL and respective ownership interest in QeNomy and QeCAD” on page no. 23.*

Except as mentioned above, no part of the Net Proceeds will be paid by our Company as consideration to our Promoters, any members forming part of the Promoter Group, Directors and Key Managerial Personnel of our Company.

Except as disclosed above, our Promoters and members forming part of the Promoter / Group and our Directors do not have any interest in the Objects of the Issue and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters or members forming part of the Promoter Group, Directors or Key Managerial Personnel or Senior Management Personnel.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,
The Board of Directors
Ace Software Exports Limited
801 Everest Commercial Complex, Opp. Shastri Maidan, Rajkot, Gujarat, India, 360001

Re: Proposed rights issue of equity shares of face value of Rs. 10 each (“Equity Shares”) of Ace Software Exports Limited (“Company” and such offering, the “Issue”), pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the “Act”).

We hereby report that the enclosed Statement prepared by Ace Software Exports Limited (the “**Company**”) states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2024 (hereinafter referred to as “**Income Tax Laws**”), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy) including the relevant rules and regulations, circulars and notifications issued there under (hereinafter referred to as “**Indirect Tax Laws**”), presently in force in India under the respective tax laws as on the signing date, for inclusion in the Draft Letter of Offer/Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only possible special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. 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 Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that 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 tax implications arising out of their participation in the proposed offer. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We have conducted our examination in accordance with the ‘*Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)*’ (‘*the Guidance Note*’) issued by the Institute of Chartered Accountants of India (‘ICAI’). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘*Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements*’

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

- The Company or the shareholders of the Company will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits, where applicable, have been/would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. 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 change from time to time. We do not assume

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

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer and Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchange where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

For and on behalf of
J.A. Sheth & Associates

Proprietor
Memb. No. 107067
UDIN: 24107067BKFGJY5077

Date: September 16, 2024
Place: Rajkot

Encl: As above

ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ACE SOFTWARE EXPORTS LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS UNDER THE INCOME TAX LAWS

1. Special tax benefits available to the Company under the Income Tax Laws

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Income Tax Laws

There are no special tax benefits available to the shareholders 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 indirect tax law benefits or 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 2025-26. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant laws.
- 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. 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.

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ACE SOFTWARE EXPORTS LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS UNDER THE INDIRECT TAX LAWS

1. Special tax benefits available to the Company under the Indirect Tax Laws

There are no special indirect tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Indirect Tax Laws

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

- a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b. The above statement covers only above-mentioned indirect tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- c. 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.
- d. 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 industry related information in this chapter is derived from the website of India Brand Equity Foundation and its report titled “IT & BPM - 2024” (referred as “IBEF Report”) prepared by Indian Brand Equity Foundation and other publicly available information as cited in this chapter. It is hereby clarified that the information in this section is only an extract of the IBEF Report and does not comprise the entire IBEF Report or information. All information in the IBEF Report and other publicly available information that is considered material by us for the purpose of this Issue has been included in this section and none of this information has been further modified by us in any manner, except for the limited purpose of presentation or ensuring continuity. Neither we nor any other person connected with the Issue has verified the information in the IBEF Report and other publicly available information. Further, the IBEF Report, information at IBEF website and other publicly available information were prepared on the basis of information as of specific dates which may no longer be current or reflect current trends. An information in the IBEF Report, IBEF website and other publicly available information may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the extract of such information provided herein. 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 and accordingly, investment decisions should not be based on such information.

Economy Overview

Global Economy – As per IMF’s April 2024 estimate, Global GDP is expected to increase by 3.2% in 2024 (0.1% higher than January estimates) and 3.2% projected in 2025 (same as January estimates). The pace of expansion is low by historical standards, due to several factors including high borrowing costs, reduced fiscal support, weak productivity growth, and increasing global economic fragmentation.

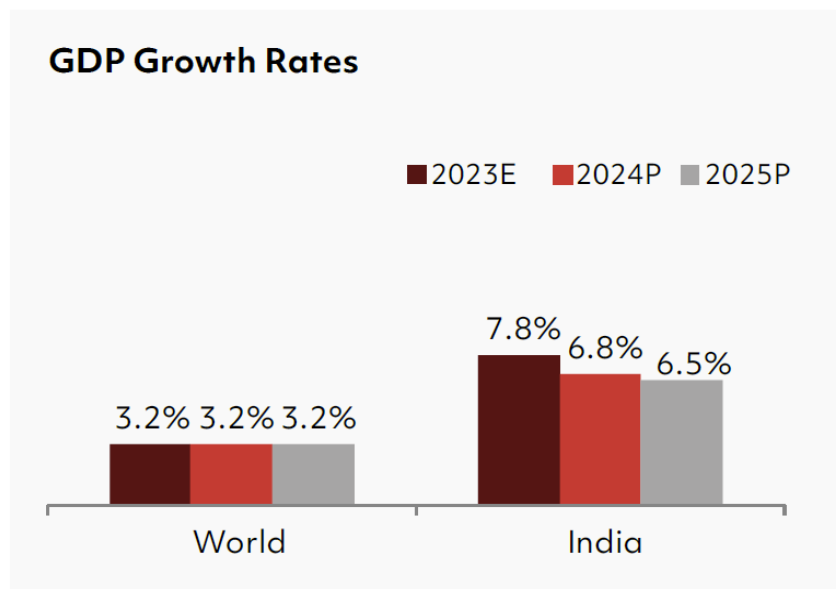
Indian Economy - India’s GDP is estimated to grow at 6.8% in 2024 as per IMF’s April estimates, up from 6.5% in January, reflecting continuing strength in domestic demand.

Worldwide Software and IT Services Spending- According to Gartner’s projections (as of April 2024), Software and IT services spend growth is expected to witness a y-o-y increase of 11.4% in 2024, higher as compared with their previous projections of 10.3% (as of January 2024), with majority of the increased spending coming from companies deploying more generative AI systems.

Geographic Markets – In Q4FY24, North America (+0.3%), EMEA (+0.6%), India (+7.2%) grew sequentially, while Rest of the world (-4.5%) witnessed a sequential decline. India, the Middle East, Europe, and the UK are continuing to see investments in technology with businesses realizing potential growth in these regions while North America continues to be under pressure amid flattening demand and economic & political uncertainty.

Vertical Markets – Sequential revenue growth for Telecom (+3.9%), Travel and Hospitality (+1.9%), and Healthcare (+0.4%) vertical. On the other hand, BFSI (-0.7%), Manufacturing (-0.6%) Energy & Utilities (-0.1%), and Retail (-1.5%) vertical declined sequentially. Clients remain skeptical, especially in BFSI and retail sectors, as discretionary spending continues to remain low.

(Source: <https://nasscom.in/> | Quarterly Industry Overview- June 2024)



(Source: <https://nasscom.in/> | Quarterly Industry Overview- June 2024)

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

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

Information Technology

India's IT industry is likely to hit the US\$ 350 billion mark by 2026 and contribute 10% towards the country's GDP. India's digital economy is estimated to reach US\$ 1 trillion by 2025. India's technology industry is on track to increase the revenue to US\$500 billion by 2030. Exports from the Indian IT services industry stood at US\$199 billion in FY24. This push towards cloud services has boosted hyper-scale data centre investments, with global investments estimated to exceed US\$ 200 billion annually by 2025. India is expected to gain a significant share in the global market, with the country's investment expected to hit US\$ 5 billion annually by 2025.

(Source: *IBEF Report*)

The Indian Information Technology/ Software industry is a global powerhouse today and its impact on India has been incomparable. It has contributed immensely in positioning the country as a preferred investment destination amongst global investors and creating huge job opportunities in India, as well as in the USA, Europe and other parts of the world. In the last decade, the industry has grown many folds in revenue terms, and relative share to India's GDP is around 7% in FY2023-24. India is the topmost off-shoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Indian IT/Software industry offers cost-effectiveness, great quality, high reliability, speedy deliveries and, above all, the use of state-of-the-art technologies globally.

The Indian IT/ ITeS industry has a leading position globally and has been progressively contributing to the growth of exports and creation of employment opportunities. The Ministry of Electronics and Information Technology is

coordinating strategic activities, promoting skill development programmes, enhancing infrastructure capabilities and supporting R&D for India's leadership position in IT and IT-enabled Services.

(Source: <https://www.meity.gov.in/content/software-and-services-sector>)

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

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

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

(Source: <https://www.ibef.org/industry/information-technology-india>)

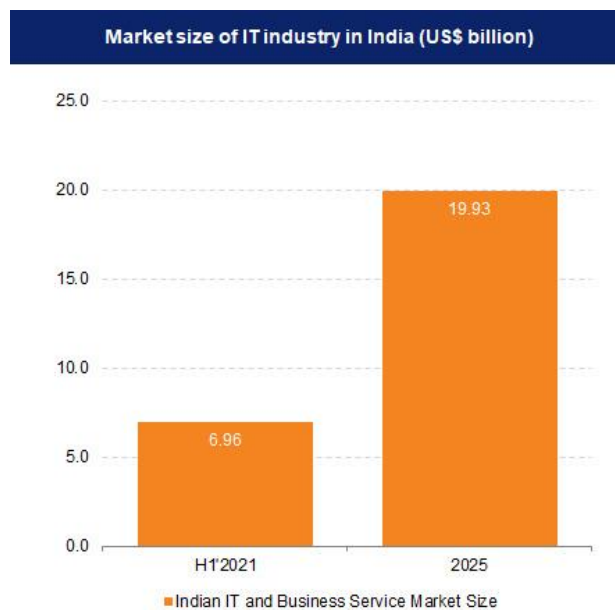
Market Size

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

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

The data annotation market in India is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI.

As an estimate, India's IT export revenue rose by 9% in constant currency terms to US\$ 194 billion in FY23. Exports from the Indian IT services industry stood at US\$ 199 billion in FY24.



Investments / Developments

Indian IT's core competencies and strengths have attracted significant investment from major countries and companies.

- The revenue of India's public cloud services market totalled US\$ 6.2 billion in 2022, and it is expected to reach US\$ 17.8 billion by 2027 growing at a CAGR of 23.4%.
- The computer software and hardware sector in India attracted cumulative foreign investment (FDI) inflows worth US\$ 102.9 billion between April 2000-March 2024. The sector ranked second in FDI inflows as per the data released by the Department for Promotion of Industry and Internal Trade (DPIIT). Computer software and hardware make up 15.6% of the cumulative FDI inflows.

(Source: <https://www.ibef.org/industry/information-technology-india>)

Revenue Trend

As an estimate, India's IT export revenue rose by 9% in constant currency terms to US\$ 194 billion in FY23. Export of IT services was the major contributor, accounting for more than 53% of total IT exports (including hardware). Indian IT – ITeS industry has continued to perform its role as the consistent growth driver for the economy. The performance of this sector (Both Exports and Domestic) over the last 5 years is given below:

	<i>(in US\$ Billion)</i>				
Description	2019-20	2020-21	2021-22	2022-23	2023-24(E)
Exports	147	152	178	194	199.5
Domestic	44	45	49	51	54.4
Total Revenue	191	196	227	245	254
YoY Growth %	7.90%	2.09%	15.5%	7.9%	3.7%

(E)= Estimated

(Source: <https://www.meity.gov.in/revenue-trend>)

Export Destinations

The USA, UK and EU remain the major markets for the IT software and services exports, however, there are new challenges surfacing in these traditional geographies. Demands from Asia Pacific (APAC), Latin America and Middle East Asia is growing and new opportunities are emerging for expanding in continental Europe, Japan, China and Africa.

(Source: <https://www.meity.gov.in/content/export-destinations>)

Employment Generation

This sector is the biggest employment generator and has spawned the mushrooming of several ancillary industries such as transportation, real estate and catering, Security, Housekeeping etc. Direct employment in the IT services and BPO/ITeS segment is estimated to reach 5.43 million in FY 2023-2024 (E) with an addition of 60,000 people (consisting of ~ 36 percent women employees).

Description	2019-20	2020-21	2021-22	2022-23	2023-24 (E)
Employment (In Millions)	4.36	4.47	5.1	5.37	5.43
Net Addition	205000	138000	445000	290000	60000

(Source: <https://www.meity.gov.in/content/employment>)

Recent Trends & Strategies

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

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

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

Movement to SMAC and digital space

SMAC (social, mobile, analytics and cloud) is taking significant leaps. Companies are getting into this field by offering big data services, which provides clients with better insights for future cases.

Promotion of R&D

Companies are investing a lot in R&D and training employees to create an efficient workforce, enhancing productivity and quality. R&D forms a significant portion of companies' expenses, which is critical when margins are under pressure, to promote innovations in the changing landscape

Product and pricing differentiation

Most of the IT companies have been offering similar products and services to their clients. The companies are working towards product differentiation through various other services by branding themselves, for example, Building Tomorrow's Enterprise by Infosys. Indian IT firms have started to adopt pricing strategies to compete with Global firms like IBM and Accenture.

Growth Drivers & Opportunities

Combat Cyber-security

The Data Security Council of India (DSCI) - National Center of Excellence for Cyber Security Technology Development (NCoE) and Chitkara University have collaborated to undertake joint programmes on cyber security and privacy. In April 2022, the Indian Computer Emergency Response Team (CERT-In) issued directions to strengthen the cybersecurity in the country.

Talent Pool

India will need over 30 million digitally skilled professionals by 2026. According to a NASSCOM report, India ranks first in AI skill penetration and talent concentration and fifth in AI scientific publications. According to a report published by Microsoft, consultancy firm Bain & Co, and industry body Internet and Mobile Association of India (IAMAI), India produces 16% of the entire world's AI talent pool – the third highest in the world.

Public Cloud Market

The revenue of India's public cloud services market totalled US\$ 6.2 billion in 2022, and it is expected to reach US\$ 17.8 billion by 2027 growing at a CAGR of 23.4%. Cloud's potential is boundless, and it forms a crucial foundation for successful digital transformation.

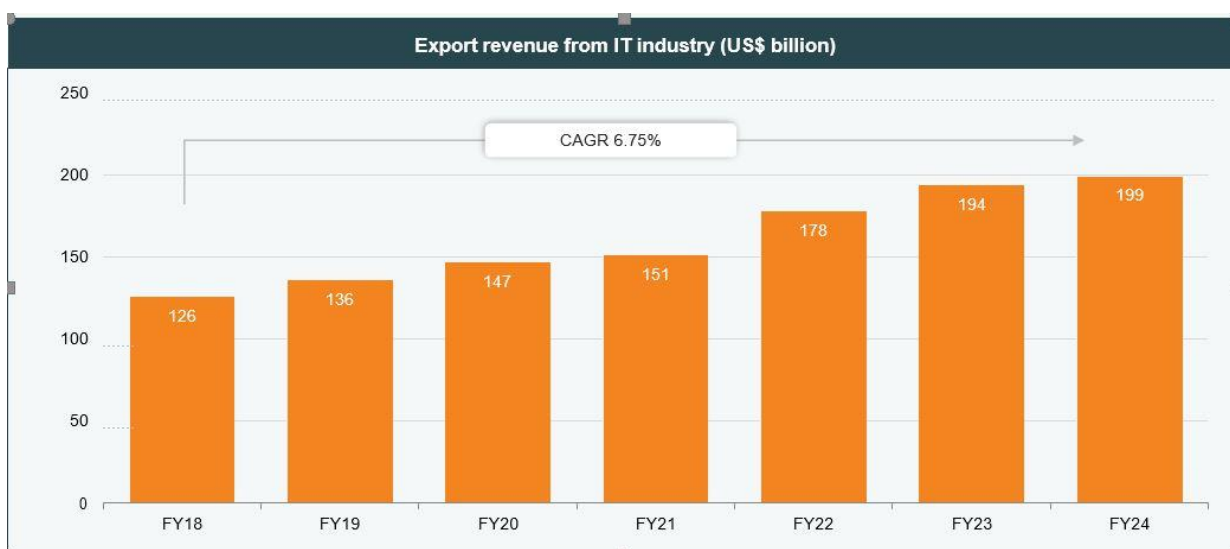
Policy support

More liberal system for raising capital, seed money and ease of doing business. Government of India launched India AI Mission in March 2024, with an initial outlay of Rs. 10,300 crore (US\$ 1.2 billion) to bolster India's AI ecosystem. The government introduced the STP Scheme, which is a 100% export-oriented scheme for the

development and export of computer software, including export of professional services using communication links or physical media. Tax holidays for STPI and SEZs.

Exports to remain robust as global IT industry maintains growth

As an estimate, India's IT export revenue rose by 3.3% YoY in constant currency to US\$ 199 billion in FY24. Export revenue from the industry grew at a CAGR of 6.75% to US\$ 199 billion in FY24 from US\$ 126 billion in FY18



Accelerating demand for cloud to be a major growth driver

With digital transformation accelerating across sectors, the pandemic has driven demand for cloud services worldwide, and the Internet has become a lifeline for people both for work and entertainment. This move towards cloud services has accelerated hyper-scale data centre investments, with global investments estimated to exceed US\$ 200 billion per year by 2025.

India's data centre market is expected to reach a value of US\$ 9.96 billion by 2028 from US\$ 5.42 billion in 2022, growing at a CAGR of 10.69%

India's data center industry is rapidly expanding, projected to double its capacity from 0.9 GW in 2023 to nearly 2 GW by 2026. The demand for cloud technology professionals is expected to reach 2 million by 2025. The cumulative investments in data centres in India are estimated to reach US\$ 28 billion between 2019-25, at a CAGR of 5%, 2x faster than the global average. The key data centre locations are Mumbai, Chennai, Bangalore, Hyderabad and Delhi (NCR).

Expansion of focus areas to aid future growth

The Cabinet approved an allocation of over US\$ 1.2 billion (Rs 10,300 crore) for the IndiaAI Mission, marking a significant step towards bolstering India's AI ecosystem. This substantial financial infusion, slated over the next 5 years, is poised to catalyse various components of the IndiaAI Mission, including pivotal initiatives like the IndiaAI Compute Capacity, IndiaAI Innovation Centre (IAIC), IndiaAI Datasets Platform, IndiaAI Application Development Initiative, IndiaAI FutureSkills, IndiaAI Startup Financing, and Safe & Trusted AI. A cornerstone of this effort is the IndiaAI Compute Capacity, envisioned to erect a cutting-edge, scalable AI computing infrastructure by deploying over 10,000 Graphics Processing Units (GPUs) through strategic public-private collaborations.

Technologies, such as telemedicine, health, remote monitoring solutions and clinical information systems, would continue to boost demand for IT services across the globe. IT sophistication in the utilities segment and the need for standardisation of the process are expected to drive demand. Digitisation of content and increased connectivity

is leading to a rise in IT adoption by the media. RBI is executing a plan to reduce online transaction costs to encourage digital banking in India. The rollout of fifth-generation (5G) wireless technology by telecommunication companies is expected to bring at least US\$ 10 billion global business to Indian IT firms by 2019-25. Emerging geographies would drive the next phase of growth for IT firms in India. AI and new-age tech to increase India's annual growth rate by 1.3% by 2035. Focus on building local credible presence, high degree of domain expertise at competitive costs and attaining operational excellence hold key to success in new geographies. Emphasis on export of IT services to current importers of other products and services.

Road Ahead

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India.

The IT spending in India is estimated to record a double-digit growth of 11.1% in 2024, totalling US\$ 138.6 billion up from US\$ 124.7 billion last year. India's public cloud services market grew to US\$3.8 billion in the first half of 2023, expected to reach US\$ 17.8 billion by 2027. By 2026, widespread cloud utilisation can provide employment opportunities to 14 million people and add US\$ 380 billion to India's GDP.

(Source: <https://www.ibef.org/industry/information-technology-india>)

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 17 for a discussion of the risks and uncertainties in relation to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read chapter titled “Risk Factors” on page 23, for a discussion of certain factors that may affect our business, financial condition, or results of operations.

Our financial year ends on March 31 of each year and references to a particular Financial Year is to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is derived from our Audited Consolidated Financial Statements included in this Draft Letter of Offer. For further information, please see the chapter titled “Financial Statements” on page 96.

In this chapter, unless the context otherwise requires, a reference to “our Company” is a reference to Ace Software Exports Limited on a consolidated basis, while any reference to “we”, “us”, “our” or “Group” is a reference to Ace Software Exports Limited on a consolidated basis.

Business Overview:

Our Company was originally incorporated as ‘Ace Software Exports Limited’ as a public limited company at Rajkot, Gujarat under the Companies Act, 1956 and was granted the certificate of incorporation on August 17, 1994. Thereafter, our Company was granted the certificate of commencement of business dated September 23, 1994. There has been no change in the name of the Company since its incorporation. The Equity Shares of our Company are listed on BSE Limited with scrip symbol ACESOFT and scrip code 531525. The ISIN of our Company’s Equity Share is INE849B01010.

Our Company is primarily engaged in the business of document management, digital publishing, data conversion solutions and technology consulting employing efficient process engineering and adaptable conversion systems catering to clients at U.S. and Australia.

Furthermore, in April 2024, there was a significant change in the management of the Company due to an open offer in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, triggered pursuant to the execution of the Share Subscription Agreement (“SSA”) dated January 06, 2024 amongst our Company, Amit Mansukhlal Mehta and Vaishali Amit Mehta which was approved by the Board of Directors of our Company, at its meeting held on January 06, 2024 in terms of which, our Company issued and allotted collectively 12,47,360 Equity Shares representing 19.49% of the Equity Share Capital on preferential basis to Amit Mansukhlal Mehta and Vaishali Amit Mehta in accordance with the provisions of the Companies Act, 2013 and the rules framed thereunder and Chapter V of the SEBI (ICDR) Regulations. As a consequence, Amit Mansukhlal Mehta and Vaishali Amit Mehta were classified as the Promoters and member of the Promoter Group respectively along with the existing Promoter and members of the Promoter Group of our Company.

With the intention of growth and business diversification, our Company has acquired 80,000 equity shares of face value of ₹10/- each representing 40% of the paid-up equity share capital *vide* share purchase and subscription agreement dated January 06, 2024 of Ace Infoway Private Limited (AIPL), a company engaged in the business of product engineering, digital transformation, integrations, data analytics, machine learning (ML), web & mobile application development, website development, platform migrations, ecommerce development and cloud development catering to clients at U.S. and Australia.

Our Company *vide* a ‘Supplement LLP Agreement’ dated April 10, 2024, has also invested ₹963.02 Lakhs for acquisition of 40% partnership interest in QeNomy Digital LLP. QeNomy is engaged in the business of web/software development, mobile applications, digital marketing and other allied IT Services catering to clients at U.S. and Australia.

Our Company *vide* a ‘Supplement LLP Agreement’ dated February 15, 2024 has also invested ₹286.34 Lakhs acquisition of 40% partnership interest in QeCAD Studio LLP. QeCAD Studio LLP is engaged in the business of delivering architectural CAD, BIM and rendering digital solutions, 3D modeling globally such as U.S. and Australia.

By abovementioned acquisitions, AIPL has become a subsidiary of the Company and QeNomy Digital LLP and QeCAD Studio LLP have become controlled entities of our Company.

Financial performance:

Our consolidated revenue from operations for the three months period ended June 30,2024 were ₹530.95 lakhs and restated consolidated revenue from operations for FY 2023-24, FY 2022-23 and FY 2021-22 ₹2,372.31 lakhs, ₹1,032.35 lakhs and ₹978.45 lakhs, respectively. Our consolidated EBITDA for the three months period ended June 30,2024 were ₹132.41 and restated consolidated EBITDA for FY 2023-24, FY 2022-23 and FY 2021-22 were ₹661.43 lakhs, ₹77.16 lakhs and ₹(7.19) lakhs, respectively. Our consolidated profit/(loss) after tax for the three months period ended June 30,2024 were ₹110.59 lakhs and restated consolidated profit/(loss) after tax for the FY 2023-24, FY 2022-23 and FY 2021-22 were ₹534.65 lakhs, ₹11.48 lakhs and ₹ (80.83) lakhs, respectively.

Particulars	<i>(in ₹ Lakhs)</i>			
	June 30, 2024	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operation	530.95	2,372.31	1,032.35	978.45
EBITDA	132.41	661.43	77.16	(7.19)
Profit after tax/(loss) (before OCI)	110.59	534.65	11.48	(80.83)

Our Strengths

After acquisition of AIPL, QeNomy Digital LLP and QeCAD Studio LLP, our combined strengths are as follows:

Innovative technology solutions and diversified business across several verticals

We provide broad spectrum of IT and software services offerings such as publishing services, software consulting, digital services and Building solution. One of the key aspects of our business model is strong focus on technology to address various facets of the transaction with customers. We invest in new-age technologies including artificial intelligence (AI), cloud services and data analytics which enables us to provide innovative and efficient solutions that address complex business challenges. The technology driven solutions assist us in transforming data into intelligent insights using predictive modelling software coupled with data analytics and forecasting. Our CRM and CMS based software are self-adoptive and scalable. We believe that use of our Company's technology driven solutions in a syncretic manner augments operational efficiency in a cost-effective manner. In order to sustain in new-age technologies, our Company invests in developmental activities in order to leverage new-age technologies such as artificial intelligence, machine language, blockchain, ensuring our solutions remain at forefront of industry advancement.

Customer centric approach and diverse clientele

One of the singular factors that has enabled us to consistently grow our business is our ability to tailor and customise our services to suit the requirements of our customers. We deliver comprehensive support service which inter-alia includes post-deployment assistance, maintenance and regular updates which ensures reliance on software and operational success. This approach helps us in building long-term relationships and customer satisfaction. We have demonstrated an ability to cater to entities across various Customer Industries such as publishers, healthcare, finance, education, and retail We have enhanced our capabilities to deliver relevant and effective solutions. Our existing relationships help us to get repeat business from our clients.

Wide geographical reach

Our business operations are diverse in terms of geography and service portfolio. We have global presence in countries such as USA, Australia and other countries, which allows us to capitalise on diverse markets and understand regional business dynamics. Our revenue from exports is attributable to wide geographical reach, which spans USA, Australia and other countries, enabling us to penetrate diverse and potential markets. Our presence in these countries not only mitigates the risks associated with geographic concentration but also provides us with access to a broader customer base and take advantage of global opportunities.

The following table sets forth the geographical split of our revenue from exports as a percentage of our revenue from operations:

For the three months period ended June 30, 2024:

Particulars	(₹ in lakhs)			
	ASEL	AIPL	QeNomy	QeCAD
Revenue from Export:				
USA	193.89	282.42	337.39	83.74
Australia	48.79	5.11	-	12.98
Others	0.24	-	6.06	3.17
Total	242.92	287.53	343.45	99.88
Total Revenue from operations	242.92	287.96	343.45	99.88
% of Exports	100.00%	99.85%	100.00%	100.00%

For Financial Year 2024:

Particulars	(₹ in lakhs)			
	ASEL	AIPL	QeNomy	QeCAD
Revenue from Export:				
USA	762.29	1528.92	1200.40	244.68
Australia	32.62	5.20	13.04	19.91
Other	20.16	12.33	61.38	31.12
Total	815.07	1546.45	1274.83	295.71
Total Revenue from operations	820.77	1551.34	1328.83	295.71
% of Exports	99.31%	99.68%	95.94%	100.00%

Strong leadership and skilled workforce

We are led by our Promoter Amit Mansukhlal Mehta along with other Promoters who are visionary leaders and associated with our Company since incorporation along with a strong management team with deep industry knowledge and innovative thinking that drive the company's growth and success. We consider this facilitates effective operational coordination and continuity of business strategies. Our Promoter and Managing Director, Amit Mansukhlal Mehta has spearheaded several mandates and has extensive experience in business strategies, digital marketing, web/software development, e-commerce, CAD and architectural services. With his strong understanding of internet user/shoppers' behavior & digital marketing, he has been instrumental in building tech tools for industry/vertical independent business models. Further, we recruit talented and diverse workforce of IT professionals, developers, engineers, and consultants who are dedicated to delivering high-quality services and solutions. We believe that the knowledge and experience of our management team members provide us with a competitive advantage as we seek to grow our business.

Synergy benefits of acquisitions

The proposed acquisitions will enhance operational efficiency by combining resources, expertise and processes resulting in streamlining operations, reduce redundancy and lower the cost. This will also improve economies of scale, better utilisation of resources and increase efficiency. These acquisitions would bring complementary products, services and market presence, enabling us to expand our service portfolio and reach new customer segment.

Our Key Strategies

After acquisition of AIPL, QeNomy Digital LLP and QeCAD Studio LLP, our combined strategies are as follows:

Geographical diversification with strengthening presence in existing regions and to enhance market penetration

We currently have our offices at 5 cities in India. We intend to continue to grow by expanding our network through establishing new offices in other regions of India and also in the Philippines, UAE and the United Kingdom. We

also intend to expand our customer reach in Australia, GCC Regions, South Africa, Kenya, LATAM Region, European and Nordic countries to capitalise on the digital transformation and economic growth.

We also intend to enhance market penetration by delivering tailored solutions in target industries such as manufacturing, chemicals, engineering, healthcare, education and retail.

Leveraging of our marketing skills and relationships

We intend to enhance our business operations by expanding our customer network through marketing efforts. We understand our customers' requirements, the necessary customizations and quality service they need. We continuously strive to improve our service offerings, anticipating and responding as per customization requirement. We intend to focus on expanding our customer base by forming new long-term relationships and leverage our past relationship to procure new contracts from customers by catering to their needs and demands in a timely, efficient and cost-effective manner.

We focus on personalized marketing campaigns with data-driven strategies targeting specific client segments for customer acquisition. Further, we plan and execute digital marketing campaigns across various channels such as SEO, PPC, social media. Our enhanced support services which include dedicated account managers and 24/7 support teams also helps us to acquire and retain the customers.

We offer competitive pricing models based on the value delivered to clients. We also have customizable pricing options to meet diverse client needs.

Continue to provide customized solutions and enhanced support services

We intend to continue developing personalized and tailored solutions to meet specific needs of clients which increases customer satisfaction and retention. Through our enhanced support services, we continue to offer customer support and post implementation services which help us to build long-term client relationships.

Enhancing operating effectiveness and efficiency

We focus on implementing agile development practices to enhance flexibility and responsiveness to achieve operational efficiency by adopting advanced management tools and methodologies to streamline the operations.

Our Services

The primary services of our Company are digital publishing and data conversion solutions which include the following:

Pre-Press: We engage in digital typesetting and in the composition of books, magazines, newspapers, journals, and catalogs. We customize our processes to cater to a wide variety of input material and for efficiently producing multiple output formats from a single source.

Document Conversion: With increase in digital publishing, the key requirement is data exchange and data integration wherein we create conversion workflows

After acquisition of AIPL, QeNomy Digital LLP and QeCAD Studio LLP, we are also providing the services viz. Product engineering, digital transformation, integrations, data analytics, machine learning (ML), web & mobile application development, website development, platform migrations, ecommerce development and cloud development, digital marketing and other allied IT Services architectural CAD, BIM and rendering digital solutions, 3D modeling. The details of our services through different verticals are as follows:



Pre-Press & Document conversion process

The process involves several key phases to ensure efficient and quality-driven execution. It begins with identifying the scope of work, where the project parameters and objectives are clearly defined. Based on the identification of parameters and objectives, a comprehensive scope of work document is crafted and determine the project's requirements in detail.

Further, a process document is written, outlining the step-by-step procedures and guidelines for executing the project. Based on this document, production tools are developed or selected to facilitate smooth workflow and efficient content creation.

Simultaneously, a process QA (Inline Quality Assurance) plan is prepared to ensure the integrity and accuracy of the project processes. This plan includes developing tools and protocols to monitor and maintain quality of each process throughout the production cycle.

Further, the ERP (Enterprise Resource Planning) system is configured specifically for the project's needs, streamlining resource management and operational efficiency. This integration ensures that all aspects of the project are managed effectively within a unified system.

At last, a QA plan for product quality is established, focusing on final output standards and criteria. Supporting tools are developed to conduct thorough quality checks and validations before deliverables are finalized and released.

By following this structured workflow, the ePublishing project can achieve its goals effectively, maintain quality standards and efficiency throughout the production process.

Digital Services Process

Consultation & Planning: Understand client goals, target audience, and project requirements to create a tailored strategy for e-commerce, digital marketing, design, or email marketing services.

Design & Development: Build e-commerce stores, design marketing assets, and develop email templates, ensuring a seamless user experience and brand consistency.

Implementation & Launch: Implement digital marketing campaigns, launch the e-commerce store, and deploy email marketing strategies, monitoring performance for optimal results.

Optimization & Support: Analyze performance metrics, refine strategies, and provide ongoing support to enhance user engagement, conversion rates, and overall digital presence.

CAD, BIM and 3D Modelling Process

Requirement Gathering: Collaborate with clients to understand project specifications, design goals, and technical requirements for CAD, BIM, and 3D modelling.

Design & Drafting: Create detailed CAD designs, BIM models, and 3D renderings, ensuring accuracy and alignment with industry standards.

Review & Revisions: Share drafts with clients for feedback, make necessary revisions, and refine models to meet project expectations.

Final Delivery & Support: Deliver the final designs and models in the required formats, offering ongoing support and modifications as needed.

Software Consulting Process

Planning: Define project scope, gather requirements, and create a roadmap to outline the development process.

Design: Develop system architecture, design UI/UX, and create wireframes or prototypes to visualize the final product.

Development: Write code, integrate components, and conduct iterative testing to build and refine the software.

Deployment & Maintenance: Release the software to users, monitor performance, fix bugs, and implement updates for continuous improvement.

Other key resources

Human Resources

Our employees are key contributors to our business success. As on August 31, 2024, We have 411 employees who look after our following functions in accordance with their respective designated goals.

Following table provides information about our employees:

Job Function	Employee count
Management	6
IT Operations, Sales & Marketing	339
Finance, Account & Secretarial	12
Admin, HR & recruiters	28
Technical Support & others	26
Total	411

Intellectual Property

As on the date of this Draft letter of offer, our Company does not have any intellectual property registered in India.

Insurance

Our Company maintains comprehensive insurance covering our assets, which we believe to be appropriate. We maintain insurance policies for our owned buildings, offices, plant & machinery, furniture & fixtures, stocks, etc., including consequential damages such as loss by fire, natural calamities, theft. We seek to maintain insurance coverage that is in accordance with industry custom, including the terms of and the scope of the coverage provided by such insurance. However, our policies are subject to standard limitations, including with respect to the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us

and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. For a discussion of certain risks relating to our insurance coverage, please refer to the section entitled “*Risk Factors—Our insurance coverage may not be adequate to protect us against certain operating and financial losses and this may have a material adverse effect on our business and cash flow.*” on page 31.

Competition

We operate across the spectrum of software consulting, digital services, building solutions and publishing services. Our primary competitors are domestic and multinational companies who are engaged in providing information technology services with substantial resources and market presence. Our regional competitors are local firms offering information technology services and competitive pricing.

Sales & Marketing

We have dedicated Sales and Marketing team who focuses on promoting our Company’s services by planning and executing digital marketing campaigns across various channels such as SEO, PPC, social media. We also frequently visit and participate in global events, exhibitions and conferences. We also periodically visit our international customers to enhance our relationships, understand their new requirements and offer solutions according to their need.

Registered Office

The registered office of our company is situated at 801 Everest Commercial Complex, Opp. Shastri Maidan, Rajkot - 360001, Gujarat, India. Our registered office is owned by Ace Software Exports (“ASE”), a partnership firm of Promoters namely, Vikram Bhupat Sanghani and Sanjay Harilal Dhamsania. There is no agreement executed between the Company and ASE, for use of such premise as our registered office. However, ASE has granted its permission to use the property vide consent letter dated April 01,2010 to the Company as its registered office. For risk related to the same, please refer to the section entitled “*Risk Factors—Our registered office is not owned by us and there is no formal agreement executed by the Company for use of premises as our registered office.*” on page 25.

Further, we hold the following material properties:

Sr. No.	Address	Property	Status	Lease Period	Rent
1	Office no. 302, 305 to 307, 318, 321 and 322, Rajlaxmi Commercial Complex, Vijay Plot, Rajkot – 360001, Gujarat.	Commercial	Owned by our Company	N.A.	N.A.
2	Office No. 801 to 803, 810 to 812, Aalap B Complex, Limda Chowk, Rajkot – 360001, Gujarat.	Commercial	Owned by our Company	N.A.	N.A.
3	Office No. 901 to 908, 9 th Floor, Solitaire Connect, Makarba, Ahmedabad – 380060, Gujarat.	Commercial	Leasehold by QeNomy	Lease for 9 years from January 22, 2024 and ending on January 21, 2033.	₹2,61,536 per month for 3 years with increase of 15% for every block of next 3 years.
4	Office No. 909 to 918, 9 th Floor, Solitaire Connect, Makarba, Ahmedabad – 380060, Gujarat.	Commercial	Leasehold by QeNomy	Lease for 9 years from May 30, 2024 and ending on May 29, 2033.	₹2,29,464 per month for 3 years with increase of 15% for every block of next 3 years.

Sr. No.	Address	Property	Status	Lease Period	Rent
5	Office No. 601 to 608, 6 th Floor, Solitaire Connect, Makarba, Ahmedabad – 380060, Gujarat.	Commercial	Leasehold by QeCAD	Lease for 9 years from May 14, 2024 and ending on May 13, 2033.	₹2,67,808 per month for 3 years with increase of 15% for every block of next 3 years
6	Office No. 609 to 619, 6 th Floor, Solitaire Connect, Makarba, Ahmedabad – 380060, Gujarat.	Commercial	Leasehold by AIPL	Lease for 9 years from May 14, 2024 and ending on May 13, 2033.	₹2,71,616 per month for 3 years with increase of 15% for every block of next 3 years
7	3 rd floor, J P Tower building, Tagore Road, Rajkot-360002, Gujarat.	Commercial	Leasehold by our Company	Lease for 11 months starting from February 01, 2024.	₹19,950 per month
8	PO-402, 21 Zone-2, MP Nagar, Bhopal - 462011, Madhya Pradesh.	Commercial	Leasehold by QeCAD	Lease for 11 months starting from December 14, 2024.	₹24,000 per month
9	Office No. 310 & 311, Nadiad Nexus 1, Uttarsanda Road, Nadiad - 387003, Gujarat.	Commercial	Rented by QeNomy	Rented for 5 years starting from January 01, 2024.	₹65,000 per month with increase of 7% every year.

OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on our Board. As on date of this Draft Letter of Offer, we have nine (09) Directors on our Board, which includes, one (01) Managing Director and CEO, three (03) Executive Directors and five (05) Independent Directors, two of them are also the woman director of our Company.

Pursuant to the provisions of the Companies Act, 2013, at least two-third 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.

A. BOARD OF DIRECTORS

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Details of Directors	Age (Years)	Other Directorships
<p>Amit Mansukhlal Mehta</p> <p>DIN: 00432898</p> <p>Date of Birth: October 4, 1974</p> <p>Designation: Managing Director & CEO</p> <p>Address: 833, Takshshila Society – 2, Near Phulchhab Press, Opp Star Plaza, Rajkot, Gujarat – 360001</p> <p>Occupation: Business</p> <p>Term: Appointed as Managing Director & CEO of the Company for five years w.e.f. August 01, 2024, subject to approval of the members of the Company at the ensuing AGM.</p> <p>Period of Directorship: Since May 30, 2024</p> <p>Nationality: Indian</p>	49	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Ace Infoway Private Limited • AQE Techtools Private Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> • Camerareadyart.com Inc.
<p>Vikram Bhupat Sanghani</p> <p>DIN: 00183818</p> <p>Date of Birth: February 3, 1963</p> <p>Designation: Whole Time Director</p> <p>Address: Roshani, Street No.-7, Dr. Yagnik Road, Jagnath Plot, Rajkot, Gujarat - 360001</p> <p>Occupation: Business</p> <p>Term: Appointed as Whole Time Director of the Company for five years w.e.f. August 01, 2024, subject to approval of the members of the Company at the ensuing AGM.</p>	61	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Gradient Epub Solutions Private Limited • Sanghani Foundation • Neorajkot Foundation • Ace Computer Education Private Limited • Ace Infoworld Private Limited • Everest Office Owners Association Pvt Ltd • Ace Riverside Private Limited • Ace Infoway Private Limited • AQE Techtools Private Limited <p><i>Foreign Companies</i></p>

Details of Directors	Age (Years)	Other Directorships
<p>Period of Directorship: Since Incorporation of Company i.e. August 17, 1994</p> <p>Nationality: Indian</p>		<ul style="list-style-type: none"> • Camerareadyart.com Inc.
<p>Sanjay Harilal Dhamsania</p> <p>DIN: 00013892</p> <p>Date of Birth: March 7, 1962</p> <p>Designation: Whole Time Director</p> <p>Address: 801, Ravi Haven, Ketan Park, Avadh Road, Off Kalavad Road, Rajkot, Gujarat - 360005</p> <p>Occupation: Business</p> <p>Term: Appointed as Whole Time Director of the Company for five years w.e.f. August 01, 2024, subject to approval of the members of the Company at the ensuing AGM</p> <p>Period of Directorship: Since Incorporation of Company i.e. August 17, 1994</p> <p>Nationality: Indian</p>	62	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Ace Infoway Private Limited • Ace Riverside Private Limited • Everest Office Owners Association Pvt Ltd • Ace Infoworld Private Limited • Ace Computer Education Private Limited • AQE Techtools Private Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> • Camerareadyart.com Inc.
<p>Rahul Jayantibhai Kalaria</p> <p>DIN: 00432774</p> <p>Date of Birth: August 19, 1969</p> <p>Designation: Whole-time Director</p> <p>Address: A 901, Kings Heights, Vidya Kunj Society Main Road, Amin Marg, Rajkot, Gujarat – 360001</p> <p>Occupation: Business</p> <p>Term: Appointed as Whole Time Director of the Company for five years w.e.f. September 06, 2024, subject to approval of the members of the Company at the ensuing AGM</p> <p>Period of Directorship: Since May 30, 2024</p> <p>Nationality: Indian</p>	54	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Ace Infoway Private Limited • Ace Riverside Private Limited • Shilpan Steelcast Private Limited • AQE Techtools Private Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> • Camerareadyart.com Inc.
<p>Dhara Sureshchandra Shah</p> <p>DIN: 06983857</p> <p>Date of Birth: November 14, 1988</p>	35	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Mayur Floorings Limited • Fairdeal Components Limited • Nandan Terry Limited

Details of Directors	Age (Years)	Other Directorships
<p>Designation: Independent Director</p> <p>Address: 1385 – 5, Salvi no Khancho Dhanasuthar ni pole, Kalupur, Ahmedabad, Gujarat – 380001</p> <p>Occupation: Business</p> <p>Term: Five years from September 29, 2019, till September 28, 2024</p> <p>Period of Directorship: Since September 29, 2014</p> <p>Nationality: Indian</p>		<ul style="list-style-type: none"> • Vishal Fabrics Limited <p><i>Foreign Companies</i></p> <p><i>Nil</i></p>
<p>Divyeshkumar Babulal Aghera</p> <p>DIN: 09308587</p> <p>Date of Birth: September 23, 1970</p> <p>Designation: Independent Director</p> <p>Address: 502, Silver Star Apartment, Opp. Sharda Baug, Shroff Road, Rajkot, Gujarat - 360001</p> <p>Occupation: Business</p> <p>Term: Five years from August 01, 2024, till July 31, 2029, subject to approval of the members of the Company at the ensuing AGM.</p> <p>Period of Directorship: Since August 01, 2024</p> <p>Nationality: Indian</p>	54	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Gautam Mobile Covers Private Limited • Ace Infoway Private Limited • Ace Infoworld Private Limited <p><i>Foreign Companies</i></p> <p><i>Nil</i></p>
<p>Sanjiv Pravinchandra Punjani</p> <p>DIN: 00418869</p> <p>Date of Birth: October 03, 1968</p> <p>Designation: Independent Director</p> <p>Address: Jalaram Plot 01, University Road, Rajkot, Gujarat – 360007</p> <p>Occupation: Business</p> <p>Term: Five years from August 01, 2024, till July 31, 2029, subject to approval of the members of the Company at the ensuing AGM.</p>	55	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Sunflower Apparels Private Limited; • Keynote Consultancy Private Limited; • Flamingo Auto Parts Private Limited; • Power Source Engine Parts Private Limited; • Arvindbhai Maniar Charitable Foundation. <p><i>Foreign Companies</i></p> <p><i>Nil</i></p>

Details of Directors	Age (Years)	Other Directorships
Period of Directorship: Since August 01, 2024		
Nationality: Indian		
Malini Mitesh Shah	52	<i>Indian Companies</i>
DIN: 10721410		<i>Nil</i>
Date of Birth: May 20, 1972		<i>Foreign Companies</i>
Designation: Independent Director		<i>Nil</i>
Address: 22 – Trisha Bunglows, Amin Marag, Nr. Chandan Super Market, Opp. Ganga Hall, Rajkot, Gujarat – 360001		
Occupation: Business		
Term: Five years from August 01, 2024, till July 31, 2029, subject to approval of the members of the Company at the ensuing AGM.		
Period of Directorship: Since August 01, 2024		
Nationality: Indian		
Dharmesh Chandulal Dadhania	48	<i>Indian Companies</i>
DIN: 10720100		<i>Nil</i>
Date of Birth: August 08, 1976		<i>Foreign Companies</i>
Designation: Independent Director		<i>Nil</i>
Address: Maa – 9, Royal Park, Near Dhumketu Hall, Kalawad Road, PO; Saurashtra University Area, Rajkot, Gujarat - 360005.		
Occupation: Business		
Term: Five years from August 09, 2024, till August 08, 2029, subject to approval of the members of the Company at the ensuing AGM.		
Period of Directorship: Since August 09, 2024		
Nationality: Indian		

Brief Biographies of Our Directors

Vikram Bhupat Sanghani, holds the degree of Master of Business Administration (MBA) from Jamnalal Bajaj Institute of Management Studies, Mumbai and has several years of experience in software industry and real estate. He has been leading our group since 1994 and has spearheaded several mandates within our group. He has been instrumental in developing residential projects such as Ace Riverside, ARPL Bungalows at Rajkot, Gujarat and also instrumental in developing Ace Nature Cure (Atmaneem), a wellness center in Rajkot, Gujarat. He has also experience in financial management and strategic planning with strong business acumen.

Sanjay Harilal Dhamsania, holds the Masters' Degree in Computer Science from Howard University, Washington, USA and Bachelors' Degree in Science from Bowie State College, Maryland, USA and has an experience of production systems and processes, web development, conversion process and real estate. He has been instrumental in formulating our key production system and processes which later became part of the foundation of the conversion process. He has been instrumental in developing residential projects such as Ace Riverside, ARPL Bungalows at Rajkot, Gujarat and also instrumental in developing Ace Nature Cure (Atmaneem), a wellness center in Rajkot, Gujarat.

Amit Mansukhlal Mehta, holds the Bachelors' degree of Business Administration from Saurashtra University and has an experience of more than 24 years in the field of web/software development, Digital Marketing, e-commerce and CAD & Architectural Services. He has been associated with us for over 22 years and has spearheaded several mandates within our group and has extensive experience in business strategies, digital marketing, web/software development, e-commerce, CAD and architectural services. With his strong understanding of internet user/shoppers' behavior & digital marketing, he has been instrumental in building tech tools for industry/vertical independent business models.

Rahul Jayantibhai Kalaria, holds the Bachelors' Degree of Engineering in Computer from University of Pune and has an experience of web project management and client acquisition, sales and marketing. He initiated sales efforts in U.S. and U.K., building strong relationships with web development companies through interactions and participation in various IT exhibitions.

Dhara Sureshchandra Shah, holds the Bachelor's Degree in Commerce, Bachelors' Degree of Legislative Laws and also a qualified member of Institute of Company Secretaries of India and has an experience in consultancy in the field of Companies Act, securities laws and related compliances.

Divyeshkumar Babulal Aghera, holds the degree of Diploma in the Engineering. He is a businessman and has an experience in technology and marketing.

Sanjiv Pravinchandra Punjani, is a qualified member of the Institute of Chartered Accountants of India and has an experience in the field of finance, auditing, taxation and corporate governance.

Malini Mitesh Shah, holds the Masters' Degree of Business Administration (MBA) from Saurashtra university and has an experience in business administration.

Dharmesh Chandulal Dadhania, is a qualified member of the Institute of Chartered Accountants of India and holds the Bachelors' Degree of Commerce and has an experience in in the field of finance, auditing and taxation.

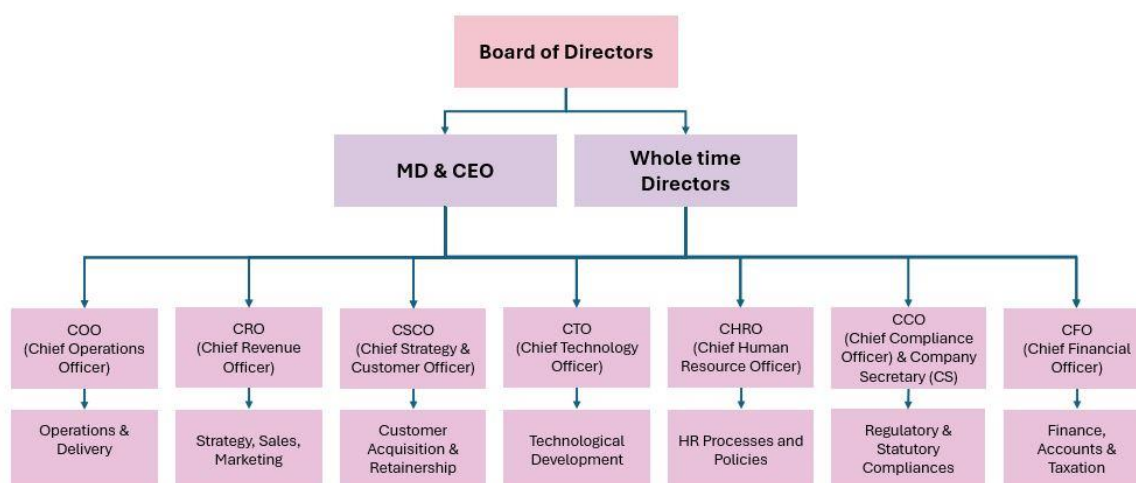
Confirmations

1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
2. None of our Directors of our Company have held or currently holding directorship in any listed company whose shares have been or were suspended from being traded on any of the Stock Exchange in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.
3. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.
5. None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

B. Management Organization Structure

Set forth is the Organization structure of our Company:



C. Corporate Governance

Certain of the provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, to the extent applicable, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

In addition to the committees of our Board detailed below, our Board may, from time to time constitute committees for various functions.:

Audit Committee

The members of the Audit Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Sanjiv Pravinchandra Punjani	Chairman
2.	Malini Mitesh Shah	Member
3.	Divyesh Babulal Aghera	Member

The Company Secretary acts as the secretary of the Audit Committee.

The Audit Committee was last reconstituted pursuant to a resolution passed by our Board in its meeting held on July 30, 2024. The scope and functions of the Audit Committee and its terms of reference are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and *inter alia*, include:

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and the effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

21. The Audit Committee shall mandatorily review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Malini Mitesh Shah	Chairman
2.	Dharmesh Chandulal Dadhanania	Member
3.	Divyesh Babulal Aghera	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee was constituted/ last reconstituted pursuant to a resolution passed by our Board in its meeting held on July 30, 2024. The scope, functions and the terms of reference of our Nomination and Remuneration Committee, is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations which are as follows:

The role of the Nomination and Remuneration Committee includes the following:

1. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key managerial personnel and other employees.
2. The Committee shall ensure:
 - a. Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
3. Formulation of criteria for evaluation of Independent Directors and the Board.
4. Devising a policy on Board diversity;

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Malini Mitesh Shah	Chairman
2.	Dharmesh Chandulal Dadhania	Member
3.	Vikram Bhupat Sanghani	Member
4.	Amit Mansukhlal Mehta	Member

The Stakeholders' Relationship Committee was constituted/ last reconstituted pursuant to a resolution passed by our Board in its meeting held on July 30, 2024. The scope and functions of the Stakeholders' Relationship Committee and its terms of reference are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and *inter alia*, include:

The role of the Stakeholders' Relationship Committee includes the following:

1. The Committee shall receive the grievances of the stakeholders and after analyzing them, resolve the queries and grievances in the expedite manner.
2. Take disciplinary action against any officer or employee of the company, if found guilty during the investigation of the grievance of the stakeholder.
3. Call any officer or employee to inquiry the matter or complains of the stakeholders;
4. Appoint any consultant or professional for the legal opinion;

Chairman of the committee can attend the Annual General Meeting of the Company;

Risk Management Committee

The members of the Risk Management Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Malini Mitesh Shah	Chairman
2.	Sanjiv Pravinchandra Punjani	Member
3.	Divyesh Babulal Aghera	Member

The Risk Management Committee was constituted pursuant to a resolution passed by our Board in its meeting held on July 30, 2024. The scope and functions of the Risk Management Committee and its terms of reference are in accordance with the SEBI Listing Regulations and *inter alia*, include:

The role of the Risk Management Committee includes the following:

1. To formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, information, cyber security risks, or any other risk as may be determined by the Committee;

- b) Measures for risk mitigation including systems and processes for internal control of identified risks;
 - c) Business continuity plan.
2. To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company;
 3. To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 5. To keep the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken;
 6. To seek information from any employee, obtain outside legal or other professional advice, and secure the attendance of outsiders with relevant expertise, if it considers necessary;
 7. To review financial and risk management policies;
 8. To review report on compliance of laws and risk management including Cybersecurity, reports issued by Statutory / Internal Auditors; and
 9. To carry out any other function as is mentioned in the terms of the Risk Management Committee and entrusted by the Board.

Our Key Managerial Personnel and Senior Management

In addition to our Managing Directors and Non-Executive Officer, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel and Senior Management as on the date of filing of this Draft Letter of Offer:

Jyotin Bhadrakant Vasavada is the Chief Financial Officer of our Company. He has joined our organisation on October 01, 2000. He is responsible for financial planning and management, compliance with regulatory standards and strategic financial decision making in our Company. He holds the Bachelors' Degree of commerce and has holds intermediate examination certificate from the Institute of Chartered Accountants of India and has an experience in overseeing financial planning, compliance and operational efficiency.

Mansi Patel is the Company Secretary & Compliance Officer of our Company. She has joined our organisation on August 01, 2019. She is responsible for compliance, secretarial functions, and legal matter in our Company. She holds the Bachelors' Degree of Commerce, Bachelors' Degree of Legislative Law and is a qualified member of Institute of Company Secretaries of India and has an experience of managing corporate governance, regulatory compliance.

Senior Management

Other than our Chief Financial Officer, Jyotin Bhadrakant Vasavada and our Company Secretary and Compliance Head, Mansi Patel, whose details are provided in "*Our Key Managerial Personnel and Senior Management*" on page 91, there are no other Senior Management Personnels in terms of the SEBI ICDR Regulations, as at the date of this Draft Letter of Offer.

Status of each key managerial personnel, as a permanent employee or otherwise

All the Key Managerial Personnel of our Company are permanent employees.

Retirement and Termination Benefits.

Other than the statutory benefits that the Key Managerial Personnel and Senior Management are entitled to, upon their retirement, the Key Managerial Personnel and Senior Management of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Relationship amongst Key Managerial Personnel and Senior Management

As on date of the Draft Letter of Offer, none of our Key Managerial Personnels and Senior Managerial Personnels are related to each other.

OUR PROMOTER

Promoter and Promoter Group of our Company

As on the date of this Draft Letter of Offer, the shareholding of our Promoter and Promoter Group are as follow:

Sr. No.	Name of the Promoter & Promoter Group	Number of shares held	Shareholding as a % of total no. of shares
1.	Amit Mansukhlal Mehta	8,47,580	13.24
2.	Vikram Bhupat Sanghani	6,31,804	9.87
3.	Sanjay Harilal Dhamsania (Jointly with Madhavi Sanjay Dhamsania)	4,84,078	7.56
4.	Rahul Jayantibhai Kalaria	4,44,742	6.95
5.	Jhamkunver H Dhamsania	2,75,850	4.31
6.	Vaishali Amit Mehta	4,00,000	6.25
7.	Jay Bhupat Sanghani (Jointly with Vikram Bhupat Sanghani)	2,10,049	3.28
8.	Dhamsania Sanjay Harilal - HUF	1,30,600	2.04
9.	Harsha Rahul Kalaria	1,20,000	1.88
10.	Rahul J. Kalaria- HUF	90,000	1.41
11.	Dhamsania Harilal Thakarshi- HUF	88,400	1.38
12.	Vikram B. Sanghani -HUF	83,700	1.31
13.	Pushpaben Jayantibhai Kalaria	60,000	0.94
14.	Jayantibhai Bhagvanjibhai Kalaria-HUF	50,000	0.78
15.	Bina Vikram Sanghani	32,600	0.51
16.	Dev Vikram Sanghani (Jointly with Vikram Bhupat Sanghani)	30,000	0.47
17.	Jayantibhai Bhagvanjibhai Kalaria	30,000	0.47
18.	Sohel Vikrambhai Sanghani	30,000	0.47
19.	Ace Technologies (Partnership firm) holding through partners (i) Vikram Bhupat Sanghani jointly with (ii) Sanjay Harilal Dhamsania	5,257	0.08
20.	Madhavi Sanjay Dhamsania	3,000	0.05
Total		40,47,660	63.24

Brief Details of Our Promoters

1. Amit Mansukhlal Mehta

Amit Mansukhlal Mehta is the Managing Director & CEO and one of the promoters of our Company. For further details, see the chapter titled "Our Management" beginning on page 82 of this Draft Letter of Offer.

2. Vikram Bhupat Sanghani

Vikram Bhupat Sanghani is the Whole Time Director and one of the promoters of our Company. For further details, see the chapter titled "Our Management" beginning on page 82 of this Draft Letter of Offer.

3. Sanjay Harilal Dhamsania

Sanjay Harilal Dhamsania is the Whole Time Director and one of the promoters of our Company. For further details, see the chapter titled "Our Management" beginning on page 82 of this Draft Letter of Offer.

Confirmations

1. Our Promoter and members of our Promoter have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or are currently pending against them.
2. Our Promoter and members of our Promoter have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. Our Promoter and members of our Promoter have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of our Promoter are not and have never been promoter of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. There are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, capital expenditure, profitable growth, cash flow and liquidity position, accumulated reserves, earnings stability, etc. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Our Company does not have a formal dividend policy. We have not declared any dividend in the previous three (3) financial years immediately preceding this issue.

SECTION V – FINANCIAL STATEMENTS

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1	Unaudited Consolidated Financial Results for the three months period ended June 30, 2024	F1-F3
2	Restated Consolidated Financial Statements as at and for the Financial Years ended March 31, 2024; 2023 & 2022.	F4-F38

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

Sr. No.	Particulars	(Rs.In Lacs)			
		Quarter	Quarter	Quarter	Year Ended
		Ended	Ended	Ended	31-03-2024
		30-06-2024	31-03-2024	30-06-2023	31-03-2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income				
	Revenue from operations	530.95	1775.23	190.03	2372.31
	Other income	28.82	179.07	8.29	603.82
	Total Income	559.77	1954.30	198.32	2976.13
2	Expenses				
(a)	Cost of materials consumed		-	-	-
(b)	Purchases of stock-in-trade		-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(117.97)	(5.31)	(6.50)	(13.11)
(d)	Employee benefit expense	255.12	927.92	69.53	1139.69
(e)	Finance costs	7.46	12.50	0.18	12.88
(f)	Depreciation, depletion and amortisation expense	14.36	47.25	7.62	70.38
(g)	Other Expenses	290.21	746.19	154.29	1188.13
	Total Expenses	449.18	1728.55	225.12	2397.97
3	Profit before exceptional and extraordinary items and tax (1-2)	110.59	225.75	(26.80)	578.16
4	Exceptional items	-	-	-	-
5	Total Profit before extraordinary items and tax (3-4)	110.59	225.75	(26.80)	578.16
6	Extraordinary items	-	-	-	-
7	Profit before tax (5-6)	110.59	225.75	(26.80)	578.16
8	Tax Expenses				
a)	Current Tax	-	46.78	-	46.78
b)	Deferred Tax	-	(3.26)	-	(3.26)
9	Profit/(Loss) for the period from continuing operations (7-8)	110.59	182.23	(26.80)	534.64
10	Profit/(Loss) from discontinuing operations	-	-	-	-
11	Tax expenses of discontinuing operations	-	-	-	-
12	Profit/ (Loss) from discontinuing operations (after tax) (10-11)	-	-	-	-
13	Profit/(Loss) for the period (9+12)	110.59	182.23	(26.80)	534.64
14	Other comprehensive income	1.65	29.01	43.56	41.63
15	Total comprehensive income for the period (13+14)	112.24	211.24	16.76	576.27
	Net profit Attributed to :				
	Owners of the Company	71.63	142.34	(26.81)	494.73
	Non controlling interest	38.96	39.89	0.01	39.92
	Other Comprehensive income for the year attributable to				
	Owners of the Company	1.65	28.80	43.48	41.20
	Non-controlling Interest	0.00	0.21	0.08	0.43
	Total Comprehensive income for the year attributable to				
	Owners of the Company	73.28	171.14	16.67	535.92
	Non-controlling Interest	38.96	40.10	0.09	40.35
16	Paid up Equity Share Capital	640.00	640.00	468.00	640.00
	(Face Value of Share Rs. 10 each)				
17	Reserves Excluding Revaluation Reserves				2,368.36
18	Earnings per Share (EPS)				
	Diluted EPS for the Period				
	(a) Basic	1.73	2.85	(0.57)	8.35
	(b) Diluted	1.73	2.85	(0.57)	8.35

Notes :

- 1 The above unaudited consolidated financial results were reviewed by the Audit Committee and thereafter the same were approved and taken on record at the meeting of the Board of Directors held on July 30, 2024.
- 2 The financial results has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and other recognized accounting practices and policies to the extent possible
- 3 Previous period figures have been regrouped / rearranged whenever necessary
- 4 The Company's operations fall under single segment namely "Computer Software and Services Exports".
- 5 Provision for Taxation, if any, shall be made at the year end.

Place : Rajkot
Date : 30-07-2024

For and on behalf of Board

Vikram B. Sanghani
Jt. Managing Director
DIN: 00183818



Independent Auditor's Review Report on Quarterly Unaudited Consolidated Financial Results of ACE SOFTWARE EXPORTS LIMITED under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**TO,
THE BOARD OF DIRECTORS,
ACE SOFTWARE EXPORTS LIMITED**

1. I have reviewed the accompanying Statement of unaudited consolidated financial results of Ace Software Exports Limited (the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), for the quarter and three months ended 30 June, 2024, (the 'Statement'), attached herewith, 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").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. I have conducted our review of the Statement 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons 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 Standards on Auditing 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, I do not express an audit opinion.

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



4. The Statement Includes the Results of following entity:

Name of Subsidiary

- Ace InfoWorld Private Limited
- Ace Infoway Private Limited

5. I did not review the financial information of subsidiaries included in the Statement, whose financial information reflects total assets of Rs. 465.71 Lakh and Rs. 1258.41 lakhs as at 30 June, 2024, total net profit after tax of Rs. 1.05 Lakh and Rs 69.88 Lakh and total comprehensive income of Rs. 1.05 Lakh and Rs 69.88 Lakh, for the quarter ended 30 June, 2024 of Ace Infoworld Private Limited and Ace Infoway Private Limited respectively. This financial information has been reviewed by other auditor whose reports have been furnished to me by the management and my conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditor and the procedures performed by me as stated in paragraph 3 above.

My conclusion on the Statement is not modified in respect of the above matter.

6. Based on my review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 5 above, nothing has come to my attention that causes me to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For J. A. Sheth & Associates,
Chartered Accountants
(FRN - 119980W)



JASheth

Jingal A. Sheth
Proprietor

(Membership No. 107067)

UDIN: 24107067BK FGJA3857

Rajkot, Dated 30th July 2024.

ACE SOFTWARE EXPORTS LIMITED

RAJKOT

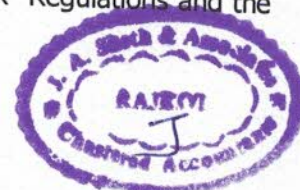
**RESTATED CONSOLIDATED FINANCIAL
STATEMENTS**

**INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED
CONSOLIDATED FINANCIAL INFORMATION**

The Board of Directors
Ace Software Exports Limited
801, Everest Commercial Complex
Opp Shastri Maidan
Rajkot

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Ace Software Exports Limited (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, 2023 and 2022, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2024, 2023 and 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information of the Group (collectively, referred to as the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 30th July, 2024 for the purpose of inclusion in the Draft Letter Of Offer ("DLOF") and Letter Of Offer ("LOF") prepared by the Company in connection with its proposed rights issue of equity shares ("Issue") prepared in terms of the requirements of:
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Companies Act**");
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and
 - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").
2. The preparation of the Restated Consolidated Financial Information is the responsibility of the Board of Directors of the Company. The Restated Consolidated Financial Information have been prepared by the Board of Directors of the Company on the basis of preparation, as stated in statement of significant accounting policies to the Restated Consolidated financial information. The Board of Director's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated financial information. The Board of Directors of the Company are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.



3. We have examined such Restated Consolidated Financial Information taking into consideration:
 - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 15th July, 2024 in connection with the Issue;
 - b. The Guidance Note, which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - d. The requirements of Section 26 of the Companies Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Companies Act, the ICDR Regulations and the Guidance Note in connection with the Issue.
4. The Restated Consolidated Financial Information has been compiled by the management from the audited consolidated financial statements of the Group as at and for the years ended March 31, 2024, 2023 and 2022, which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on May 30th 2024, May 30th 2023 and May 30th 2022 respectively.
5. For the purpose of our examination, we have relied on:
 - a. The Independent Auditor's Reports issued by us dated May 30th 2024 and May 30th 2023 on the consolidated financial statements of the Group as at and for the year ended March 31, 2024 and 2023 as referred to in Paragraph 4 above, and the independent auditor's reports dated May 30, 2022 on the consolidated financial statements of the Group as at and for the year ended March 31, 2022 issued by the previous auditor, as referred to in Paragraph 4 above.
 - b. The restated financial statements of the Company's subsidiaries as of and for the years ended March 31, 2024, 2023 and 2022 included in Restated Consolidated Financial Information, have been prepared and certified by the management and our opinion on Restated Consolidated Financial Information, in so far as it relates to amounts and disclosures in respect of this subsidiary is based solely on the restated financial statements prepared and certified by the management.
6. As indicated in our audit reports referred to in paragraph 4 above, we did not audit the financial statements of the subsidiary whose share of total assets, total revenues, net cash inflows in the consolidated financial statements, for the relevant year is tabulated below, which have been audited by other Auditors, and whose reports have been furnished to us by the Company's management and our opinion on the historical consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, was based solely on the reports of the another auditor.



(Rs in lacs)

Particulars	As at/ for the year ended March 31, 2024	As at/ for the year ended March 31, 2023	As at/ for the year ended March 31, 2022
Total assets	1,482.26	438.44.	952.99
Total revenues	1,593.47	221.60	178.30

Our opinions on the Restated Consolidated Financial Information of the Group as at and for the years ended March 31, 2024, 2023 and 2022, were not qualified for the above matter.

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the audited report submitted by the other Auditors, we report that:
 - a. the Restated Consolidated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and classifications followed as at and for the year ended March 31, 2024;
 - b. there are no qualifications in the auditors' reports on the audited consolidated financial statements of the Group as at and for the years ended March 31, 2024, 2023 and 2022;
 - c. the Restated Consolidated Financial Information have been prepared in accordance with the Companies Act, ICDR Regulations and the Guidance Note;
8. We have not audited any financial statements of the Company or the Group as of any date or for any period subsequent to March 31, 2024. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company or the Group as of any date or for any period subsequent to March 31, 2024.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.



12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document to be filed with Securities and Exchange Board of India, BSE Limited in connection with the proposed Offer. Our report should not be used, referred to, or distributed for any other purpose. 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 report is shown or into whose hands it may come.

For J. A. Sheth & Associates,
Chartered Accountants
(Firm Registration Number - 119980W)

J. A. Sheth

Jingal A. Sheth
Proprietor
(Membership No.107067)



UDIN : 24107067BXFGJ01128
Rajkot, Dated 30.7, 2024

ACE SOFTWARE EXPORTS LIMITED
RESTATED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note No.	[₹ in Lakhs]		
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	2a	404.57	340.90	721.84
Other Intangible assets	2b	590.71	3.03	5.11
Investment Property	3	34.89	108.38	107.58
Financial Assets				
Investments				
Other financial assets	4	1,249.86	743.54	650.43
Deferred tax assets	5	52.52	65.78	71.02
Other non-current assets		31.66	22.27	22.27
Total Non current Assets	6	110.37	94.33	93.93
		2,474.57	1,378.23	1,672.18
CURRENT ASSETS				
Inventories				
Financial Assets		125.24	112.13	104.74
Investments				
Trade receivables	7	8.01	2.12	2.15
Cash and cash balance	8	127.71	0.72	0.58
Loans	9	507.21	30.95	54.74
Current tax asset	10	580.55	488.11	399.80
Other current assets		51.19	5.27	11.64
Total current assets	11	77.87	87.85	85.12
		1,477.77	727.15	658.77
Total Assets		3,952.35	2,105.38	2,330.95
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	12	640.00	468.00	468.00
Other Equity	13	2,368.36	1,527.89	1,488.02
Non-controlling interests		435.29	5.95	51.24
Total Equity		3,443.65	2,001.84	2,007.26
LIABILITIES				
Non - current liabilities				
Financial liabilities				
Borrowings	14	-	-	156.25
Provisions	15	32.71	-	-
		32.71	-	156.25
Current liabilities				
Financial liabilities				
Borrowings	16	190.14	-	20.35
Trade payables	17			
Micro & Small Enterprise		0.19	-	-
Other than Micro & Small Enterprise		62.16	56.02	69.55
Other financial liabilities	18	123.42	19.88	20.42
Other current liabilities	19	75.95	27.49	57.12
Provisions		24.13	0.15	-
		475.99	103.54	167.44
Total Equity and Liabilities		3,952.35	2,105.38	2,330.95

See accompanying Statement on Significant accounting policies & Notes to Accounts

As per our Report of even date

For J. A. Sheth & Associates,
Chartered Accountants
(Firm Registration No. 119980W)

J. A. Sheth

Jingal A. Sheth
Proprietor
Membership No. 107067

V.DIN 24 107067 BKFCJTD/128



Rajkot, Dated 30/7/24

For & on behalf of the Board Of Directors,

Sanjay Dhamsania

Sanjay Dhamsania Vikram B Sanghani
Jt. Managing Director Jt. Managing Director
(DIN: 00013892) (DIN: 00183818)

Mansi Patel

Mansi Patel Jyotin Vasavada
Company Secretary Chief Financial Officer

Rajkot, Dated 30/07/2024

ACE SOFTWARE EXPORTS LIMITED
RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
MARCH 31, 2024

Particulars	Note No.	[₹ in Lakhs Except EPS]		
		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME				
Revenue from operations	20	2,372.31	1,032.35	978.45
Other income	21	603.82	43.95	80.87
Total Income		2,976.13	1,076.31	1,059.32
EXPENSE				
Changes in inventories of finished goods		(13.11)	(7.39)	13.55
Employee benefits expense	22	1,139.69	347.88	362.80
Finance costs	23	12.88	7.07	9.37
Depreciation and amortization expense	2	70.38	57.76	64.27
Other expenses	24	1,188.13	658.65	690.15
Total Expenses		2,397.97	1,063.98	1,140.15
Profit/(loss) before tax		578.16	12.33	(80.83)
Tax expenses				
Current tax		92.87	0.85	-
Deferred tax		(3.26)	-	-
MAT Credit		(46.09)	-	-
Profit/(loss) for the period		534.65	11.48	(80.83)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Changes in fair value of FVOCI equity Instruments, net of tax		33.48	21.51	40.24
Remeasurement of Defined benefit Plans, net of tax		8.15	3.89	3.60
Total other comprehensive income		41.63	25.40	43.84
Total comprehensive income for the period		576.28	36.88	(36.99)
Profit for the year attributable to				
Owners of the Company		494.73	14.61	(53.65)
Non-controlling Interest		39.92	(3.13)	(27.17)
other Comprehensive income for the year attributable to				
Owners of the Company		41.20	25.26	43.79
Non-controlling Interest		0.43	0.14	0.05
Total Comprehensive income for the year attributable to				
Owners of the Company		535.92	39.87	(9.86)
Non-controlling Interest		40.35	(2.99)	(27.12)
Earning per equity share [Face Value Rs. 10 Per Share]				
Basic & Diluted	25	8.35	0.25	(1.73)

See accompanying Statement on Significant accounting policies & Notes to Accounts

As per our Report of even date

For J. A. Sheth & Associates,
Chartered Accountants
(Firm Registration No. 119980W)

For & on behalf of the Board of Directors,

J.A. Sheth
Proprietor
Membership No. 107067



UDIN 24107067BKFGJDT128

Rajkot, Dated 30/7/24

Sanjay Dhamsania
Jt. Managing Director
(DIN: 00013892)

Mansi Patel
Company Secretary

Rajkot, Dated 30/07/2024

Vikram B Sanghani
Jt. Managing Director
(DIN: 00183818)

Jyotin Vasavada
Chief Financial Officer

ACE SOFTWARE EXPORTS LIMITED
RESTATED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2024

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
[₹ in Lakhs]			
A. Cash flow from Operating Activities			
Net profit before tax and extraordinary items	578.16	12.33	(80.83)
Adjustments for :			
Depreciation & other non cash charges			
Dividend Income	70.38	57.76	64.27
Remeasurement of Defined benefit Plans	(0.03)	(0.03)	(0.54)
Share of Profit/(loss) from LLP	8.15	3.89	3.60
Profit on Sale of Asset	(9.77)	-	-
Interest Income	(528.47)	(3.11)	(9.36)
Interest Expenses	(48.36)	(32.90)	(29.77)
Operating Profit before working capital changes	12.88	7.07	9.37
Adjustments for :	82.95	45.02	(43.26)
Increase/(decrease) in current & non current liabilities	(46.93)	(43.70)	(23.41)
(Increase)/decrease in current & non current assets	(293.62)	(85.19)	325.03
Cash generated from Operations	(257.61)	(83.87)	258.36
Direct taxes paid (net of refunds)	(74.59)	6.37	-
Cash flow before extra-ordinary items	(332.20)	(77.50)	258.36
Net cash generated/(used) in operating activities	(332.20)	(77.50)	258.36
B. Cash flow from investing activities			
Purchase/Sale of Fixed Assets (Net)	(47.76)	324.46	99.09
Sale/Purchase of Investments (Net)	(459.78)	(74.71)	(355.07)
Interest Received	48.36	32.90	29.77
Dividend Income	0.03	0.03	0.01
Net cash generated/used in investing activities	(459.17)	282.67	(226.20)
C. Cash flow from financing activities			
Change in Composition of Non Controlling Interest			
Equity Share issued	488.37	(45.29)	-
Long term Borrowings	602.00	-	-
Short term Borrowings	-	(156.25)	(14.35)
Interest paid	190.14	(20.35)	0.27
	(12.88)	(7.07)	(0.38)
Net cash generated/used in financing activities	1,267.63	(228.96)	(14.46)
Net increase in cash and cash equivalent	476.26	(23.79)	17.71
Opening Balance of Cash and cash equivalent	30.95	54.74	37.03
Closing Balance of Cash and cash equivalent	507.21	30.95	54.74

As per our Report of even date

For J. A. Sheth & Associates,
Chartered Accountants
(Firm Registration No. 119980W)

J. A. Sheth

Jingal A. Sheth
Proprietor
Membership No. 107067

UDIN 24107067 BKF GJO 1128

Rajkot, Dated 30/7/24



For & on behalf of the Board of Directors,

Sanjay Dhamania
Sanjay Dhamania
Jt. Managing Director
(DIN: 00013892)

Vikram B Sanghani
Vikram B Sanghani
Jt. Managing Director
(DIN: 00183818)

Mansi Patel
Mansi Patel
Company Secretary

Jyotin Vasavada
Jyotin Vasavada
Chief Financial Officer

Rajkot, Dated 30/07/2024

ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

2a Property, Plant and Equipment [₹ in Lakhs]

Particulars	Tangible Assets					Total
	Buildings	Computers	Furniture and Fixtures	Office Equipments	Vehicles	
I						
Gross carrying amount						
Balance as at March 31, 2022 [^]	310.97	372.21	84.69	90.37	72.38	930.63
Additions	0.16	4.47		1.31	91.43	97.37
Disposals					-	-
Balance as at March 31, 2023	311.13	376.68	84.69	91.68	163.81	1,028.00
Acquired through business combination*	-	34.18	25.17	5.49	44.22	109.06
Additions	-	3.61	5.50	6.02	32.28	47.41
Disposals					-	-
Balance as at March 31, 2024	311.13	414.47	115.36	103.19	240.31	1,184.47
II Accumulated Depreciation						
Balance as at March 31, 2022 [^]	63.50	352.99	57.92	61.72	58.08	594.21
Depreciation for the year	8.29	3.00	0.27	1.67	8.67	21.89
Deductions/Adjustments during the year						
Balance as at March 31, 2023	71.79	355.99	58.19	63.39	66.75	616.10
Depreciation for the year	8.31	32.29	14.59	6.40	31.21	92.80
Deductions/Adjustments during the year						
Balance as at March 31, 2024	80.10	388.27	72.78	69.79	97.96	708.90
III Impairment						
Balance as at March 31, 2024	-	17.00	26.50	27.50	-	71.00
Balance as at March 31, 2023	-	17.00	26.50	27.50	-	71.00
IV Net Carrying amount						
Balance as at March 31, 2024	231.03	9.20	16.09	5.90	142.36	404.57
Balance as at March 31, 2023	239.34	3.69	0.01	9.79	97.07	340.90

* As the Consolidation is done during the year with subsidiary
[^] During the year Ace nature cure LLP is no longer subsidiary.



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2a Property, Plant and Equipment

[₹ in Lakhs]

Particulars	Tangible Assets								Total Tangible Assets	
	Buildings	Computers	Therapy Equipments	Electrical Equipment	Furniture and Fixtures	Office Equipments	Vehicles			
I Deemed Cost										
Balance as at March 31, 2021	729.67	370.94	63.90	96.25	103.54	123.15	134.53			1,621.98
Additions	2.90	3.30	-	-	-	2.06	-			8.26
Disposals	(19.23)	-	-	-	-	-	-			(19.23)
Balance as at March 31, 2022	713.33	374.24	63.90	96.25	103.54	125.21	134.53			1,611.00
II Accumulated Depreciation										
Balance as at March 31, 2021	98.95	350.58	20.05	23.86	62.57	92.02	117.85			765.88
Depreciation expenses for the year	25.77	3.79	9.58	12.07	1.99	5.65	2.38			61.23
Deductions/Adjustments during the year	(8.95)	-	-	-	-	-	-			(8.95)
Balance as at March 31, 2022	115.77	354.37	29.63	35.93	64.56	97.67	120.23			818.16
III Impairment										
Balance as at March 31, 2022	-	17.00	-	-	26.50	27.50	-			71.00
IV Net Carrying amount										
Balance as at March 31, 2022	597.56	2.87	34.27	60.32	12.48	0.04	14.30			721.84



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

2b Intangible Asset

[₹ in Lakhs]

Particular		Goodwill	Computer Software	Total Intangible Assets
I	Deemed Cost			
	Balance as at March 31, 2021	-	56.22	56.22
	Additions during the year	-	-	-
	Deductions/Adjustments during the year	-	-	-
	Other Adjustments during the year	-	-	-
	Balance as at March 31, 2022	-	56.22	56.22
	Additions during the year	-	-	-
	Deductions/Adjustments during the year	-	-	-
	Other Adjustments during the year	-	-	-
	Balance as at March 31, 2023	-	56.22	56.22
	Additions during the year*	589.43	-	-
	Deductions/Adjustments during the year	-	-	-
	Other Adjustments during the year	-	-	-
Balance as at March 31, 2024	589.43	56.22	645.65	
II	Accumulated Depreciation			
	Balance as at March 31, 2021	-	48.07	48.07
	Depreciation expenses for the year	-	3.04	3.04
	Deductions/Adjustments during the year	-	-	-
	Balance as at March 31, 2022	-	51.11	51.11
	Depreciation expenses for the year	-	2.08	2.08
	Deductions/Adjustments during the year	-	-	-
	Balance as at March 31, 2023	-	53.19	53.19
	Depreciation expenses for the year	-	1.75	1.75
	Deductions/Adjustments during the year	-	-	-
Balance as at March 31, 2024	-	54.94	54.94	
III	Impairment			
	Balance as at March 31, 2024	-	-	-
	Balance as at March 31, 2022	-	-	-
IV	Net Carrying amount			
	Balance as at March 31, 2024	589.43	1.28	590.71
	Balance as at March 31, 2023	-	3.03	3.03
	Balance as at March 31, 2022	-	5.11	5.11

* Goodwill is created on Consolidation of Ace infoway Private limited



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

3 Investment Properties

	Particular	Freehold Land	Flat No. A-202	Total
I	Deemed Cost			
	Balance as at March 31, 2021	71.85	34.89	106.74
	Additions during the year	0.84	-	0.84
	Deductions/Adjustments during the year	-	-	-
	Other Adjustments during the year	-	-	-
	Balance as at March 31, 2022	72.69	34.89	107.58
	Additions during the year	0.80	-	0.80
	Deductions/Adjustments during the year	-	-	-
	Other Adjustments during the year	-	-	-
	Balance as at March 31, 2023	73.49	34.89	108.38
	Additions during the year	104.37	-	104.37
	Deductions/Adjustments during the year	(177.86)	-	-
Balance as at March 31, 2024	(0.00)	34.89	34.89	
II	Accumulated Depreciation			
	Balance as at March 31, 2021	-	-	-
	Depreciation expenses for the year	-	-	-
	Deductions/Adjustments during the year	-	-	-
	Balance as at March 31, 2022	-	-	-
	Depreciation expenses for the year	-	-	-
	Deductions/Adjustments during the year	-	-	-
	Balance as at March 31, 2023	-	-	-
	Depreciation expenses for the year	-	-	-
	Deductions/Adjustments during the year	-	-	-
	Balance as at March 31, 2024	-	-	-
	III	Net Carrying amount		
Balance as at March 31, 2024		(0.00)	34.89	34.89
Balance as at March 31, 2023		73.49	34.89	108.38
Balance as at March 31, 2022		72.69	34.89	107.58
IV	Other Information			
	Useful Life of the Asset	Not Applicable	Not Applicable	Not Applicable
	Method of Depreciation	Not Applicable	Not Applicable	Not Applicable
	Rental Income from Investment Property	-	-	-
	Direct Operating Expenses	-	-	-
	Profit from Investment Properties before Depreciation	-	-	-
	Depreciation	-	-	-
	Profit from Investment Properties	-	-	-
	Fair Value of Properties	261.88	34.89	296.77



ACE SOFTWARE EXPORTS LIMITED

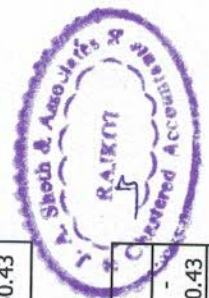
NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

[₹ in Lakhs]

4 Non-Current Investments

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Units	Amount	Units	Amount	Units	Amount
Investments in Equity Instruments Unquoted (all fully paid unless otherwise specified)						
(A) Carried at Fair Value Through Other Comprehensive Income						
(i) In Equity Shares of Other Entity						
Sanjay Oilcake Industries Private Limited	10	0.00	10	0.00	10	0.00
Rajkot Oilcake Private Limited	-	41.57	10	0.00	20	0.00
Qeradol Inc*	2,500	-	-	-	-	-
Qeshiftware PTY ltd*	650	0.35	-	-	-	-
(ii) In Associate						
Balance in Capital Account of Qecad Studio LLP	-	200.67	-	-	-	-
(iii) Investment in Mutual Funds (Quoted)						
DSP Black Rock Equity Fund - Regular Plan-Growth	596	0.50	160,376	99.73	149,037	94.20
HDFC Flexi Cap FUnd - Growth	-	-	9,954	111.64	9,619	97.28
HDFC Low Duration Fund - Regular Growth	1,292,196	680.40	454,992	223.32	498,653	233.44
ABSL Flexi Cap Fund Growth	-	-	870	9.47	541	6.15
ABSL PSU Equity Fund Growth Regular Plan	-	-	69,165	11.42	46,061	6.73
ICICI Pridental Bluechip Fund Growth	316	0.30	15,004	10.13	9,529	6.25
HDFC Low Duration Fund - Growth	618,483	325.66	565,322	277.47	440,119	206.04
HDFC Ultra Short Term Fund - Regular Gro	2,761	0.38	2,761	0.36	2,761	0.34
Total [Aggregate Book Value of Investments]		1,249.84		743.54		650.43
Aggregate amount of quoted investments - At cost		1,040.12		533.83		531.59
Aggregate amount of quoted investments - At market value		1,249.84		743.54		650.43

* Qeradol inc & Qeshiftware is subsidiary of Ace infoway



Category-Wise Investment Non-Current	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Financial Assets measured at Cost	-	-	-
Financial Assets measured at FVOCI	1,249.84	743.54	650.43
Total Investment Non-Current	1,249.84	743.54	650.43

ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

5 Other Financial Assets

[₹ in Lakhs]

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)			
Security Deposits	10.77	10.96	18.74
Bank Deposit with Original maturity of more than 12 Months	41.74	54.82	52.28
Total	52.52	65.78	71.02

6 Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)			
Security Deposit	16.44	-	
Capital Advances *	93.93	94.33	93.93
Total	110.37	94.33	93.93

* For Related Party Transaction refer Note No. 26

6.1 Capital advances include amounts due from:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Concern in which any director is a partner/ Director Ace Riverside Private Limited	93.93	93.93	93.93



ACE SOFTWARE EXPORTS LIMITED

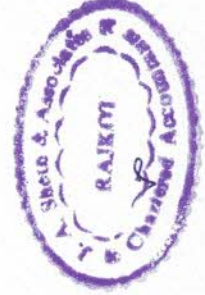
NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

[₹ in Lakhs]

7 Current Investments

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Units	Amount	Units	Amount	Units	Amount
Investments in Equity Instruments						
Quoted (all fully paid unless otherwise specified) (A) Carried at Fair Value Through Other Comprehensive Income						
(i) In Equity Shares of						
Indian Metals & Ferro Alloys Ltd.	200	1.28	200	0.57	100	0.83
B L Kashyap Ltd	5,000	3.43	5,000	1.55	5,000	1.32
(ii) Investment in Mutual Funds (Quoted)						
Aditya Birla Sun life Money Manager fund	970	3.30				
Total [Aggregate Book Value of Investments]		8.01		2.12		2.15
Aggregate amount of quoted investments - At cost		4.53		0.39		0.39
Aggregate amount of quoted investments - At market value		8.01		2.12		2.15

Category-Wise Investment Non-Current	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Financial Assets measured at Cost	-	-	-
Financial Assets measured at FVOCI	8.01	2.12	2.15
Total Investment Non-Current	8.01	2.12	2.15



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

8 Trade Receivables

[₹ in Lakhs]

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good*	127.71	0.72	0.58
Total	127.71	0.72	0.58

* For Related Party Transaction refer Note No. 26

9 Cash & Cash balance

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Cash on hand	6.59	2.21	1.86
Balances with Banks: In Current Accounts	22.07	28.74	26.99
Balances with Banks in Term Deposit Accounts	478.55	-	25.89
Total	507.21	30.95	54.74

10 Loans

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
[Unsecured, considered good]			
Loans and Advances to employees	10.06	2.22	7.03
Balance with Government authorities	46.65	-	-
Other Short Term Loans & Advances*	523.84	485.89	392.77
Total	580.55	488.11	399.80

* For Related Party Transaction refer Note No. 26

11 Other Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
[Unsecured, considered Good]			
Balances with Statutory Authorities	71.45	86.11	82.69
Prepaid Expenses	2.20	1.74	2.35
Excess of Fair Value of Plan Asset over Gratuity benefit obligation	4.22	-	-
Total	77.87	87.85	85.12

12 Share Capital

12.1 Details relating to Authorised, Issued, Subscribed & Paid up Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital:			
1,10,00,000 Equity Shares of ₹ 10/- each with voting rights	1,100.00	600.00	600.00
In P.Y. 60,00,000 Equity Shares of ₹ 10/- each with voting rights			
Issued, Subscribed & Paid-up Share Capital:			
64,00,000 Equity Shares of ₹ 10/- each with voting rights	640.00	468.00	468.00
In P.Y. 46,80,000 Equity Shares of ₹ 10/- each with voting rights			
Total	640.00	468.00	468.00



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

12.2 Reconciliation of the No. of Shares Outstanding as on Balance Sheet Date [₹ in Lakhs]

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
	No. of shares	No. of shares	No. of shares
Shares outstanding as at the beginning of the year	4,680,000	4,680,000	4,680,000
Shares issued during the year	1,720,000	-	-
Shares bought-back during the year	-	-	-
Shares outstanding as at the end of the year	6,400,000	4,680,000	4,680,000

12.3 Company has only one class of Equity share of face value of ₹ 10/- each carrying one voting right for each equity share held.

12.4 Details of shareholders holding more than 5% ordinary equity shares as on Balance Sheet date

Name of the shareholders	As at March 31, 2024	
	No. of shares	No. of shares
Vikram B. Sanghani	753,804	11.78%
Amit Mansukhlal Mehta	847,360	13.24%
Sanjay Harilal Dhamsania & Madhavi Sanjay Dhamsania	580,978	9.08%
Jamkunverben Harilal Dhamsania	405,850	6.34%
Vaishali Amit Mehta	400,000	6.25%
Rahul Jayantibhai Kalaria	444,742	6.95%
Total	3,432,734	53.64%
Total no. of shares of the company	6,400,000	100%

Details of shareholders holding more than 5% ordinary equity shares as on Balance Sheet date

Name of the shareholders	As at March 31, 2023	
	No. of shares	% of Shareholding
Vikram B. Sanghani	1,047,486	22.38%
Sanjay Harilal Dhamsania & Madhavi Sanjay Dhamsania	580,978	12.41%
Jamkunverben Harilal Dhamsania	405,850	8.67%
Jay Bhupat Sanghani, Vikram B Sanghani & Bhupat C Sanghani	318,049	6.80%
Total	2,352,363	50.26%
Total no. of shares of the company	4,680,000	100%

Details of shareholders holding more than 5% ordinary equity shares as on Balance Sheet date

Name of the shareholders	As at March 31, 2022	
	No. of shares	% of Shareholding
Vikram B. Sanghani	1,047,486	22.38%
Sanjay Harilal Dhamsania & Madhavi Sanjay Dhamsania	580,978	12.41%
Jamkunverben Harilal Dhamsania	405,850	8.67%
Jay Bhupat Sanghani, Vikram B Sanghani & Bhupat C Sanghani	318,049	6.80%
Total	2,352,363	50.26%
Total no. of shares of the company	4,680,000	100%

13 Other Equity

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Reserves and surplus			
Capital Redemption Reserve	102.00	102.00	102.00
Capital Reserve	6.75	6.75	6.75
General Reserve	31.81	31.81	31.81
Retained Earnings	1,540.27	1,033.50	1,018.90
Capital Reserve on Consolidation	209.72	209.72	209.72
Share Premium	430.00	-	-
Other Comprehensive Income			
Equity Instrument through Other Comprehensive Income	47.80	144.10	118.84
Total	2,368.36	1,527.89	1,488.02



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

[₹ in Lakhs]

14 Borrowings - Non Current	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Particulars			
Loans from Bank (Overdraft)			
Secured	-	-	64.56
Bank of Baroda (Secured by Hypotheciation of Equipment)			
Unsecured	-	-	91.69
Unsecured Loans From Relatives of KMP			
Total	-	-	156.25

15 Provisions	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Particulars			
Provision for Employee Benefit			
Provision for Defined Benefit Obligation - Gratuity	32.71	-	-
	32.71	-	-

16 Borrowings	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Particulars			
Secured - At amortised cost Loan Repayable on Demand From Banks			
ICICI Bank Ltd - Overdraft	190.14	-	20.35
Total	190.14	-	20.35

17 Trade payables	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Particulars			
Trade payable - Micro and small enterprise	0.19	-	69.55
Trade payable - Other than Micro and small enterprise	62.16	56.02	
Total	62.35	56.02	69.55

18 Other Financial Liabilities	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Particulars			
Payable for Fixed Assets*	123.42	19.70	19.70
Rent Security Deposit	-	0.18	0.18
Total	123.42	19.88	20.42

* For Related Party Transaction refer Note No. 26

19 Other Current Liabilities	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Particulars			
Payable on account of Investment	0.35	-	15.06
Expenses Payables	1.26	0.69	12.74
Statutory Remittances	21.74	6.47	6.01
Employee Benefits	52.59	15.86	16.69
Excess of Gratuity benefit obligation over Fair Value of Plan Asset	-	4.47	6.62
Total	75.95	27.49	57.12



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

[₹ in Lakhs Except EPS]

20. Revenue from Operations	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Particulars			
Revenue from software services*	2,372.31	1,032.35	978.45
Total	2,372.31	1,032.35	978.45

* For Related Party Transaction refer Note No. 26

21. Other Income	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Particulars			
Interest Income*			
Interest from Banks on Deposits	17.98	3.82	4.02
Interest on Loans and Advances	23.18	29.08	25.75
Dividend Income	0.03	0.03	0.01
Net gain on foreign exchange transactions and translations	4.55	-	
Interest on IT refund	0.58	-	
Discount Received	0.09	-	
Rental Income	10.31	7.92	7.20
Profit on Sale of Investment / Asset	525.92	3.11	43.04
Other Income	8.52	-	
Miscellaneous Income	0.34	-	0.85
Short Term Capital Gain	2.55	-	
Share of profit from LLP	9.77	-	
Total	603.82	43.95	80.87

* For Related Party Transaction refer Note No. 26

22. Employee benefit expenses	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Particulars			
Salaries & wages*	1,080.82	319.34	337.77
Contribution to provident and other funds	31.24	13.87	10.55
Staff welfare expense	27.63	14.68	14.48
Total	1,139.69	347.88	362.80

* For Related Party Transaction refer Note No. 26

23. Finance Costs	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Particulars			
Interest Expenses on Borrowings			
Borrowings			
Interest paid on Overdraft	2.90	0.05	0.45
Interest paid on Term Loan	-	5.67	7.65
Interest paid on Car Loan	4.19	-	
Interest on delayed payment of TDS	0.05	-	
Interest on delayed payment of GST	0.02	-	
Other Borrowing Costs			
Bank Charges	5.72	1.35	1.27
Total	12.88	7.07	9.37



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

24. Operating & Other Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating Expenses			
Development Charges	273.42	-	
Hosting Charges	14.95	-	
Training Expenses	17.57	-	
Operating Expenses	506.49	496.06	528.28
Other Expenses			
Advertisement	23.92	4.72	5.37
Commission Expenses	5.76	-	-
Power And Fuel	34.06	37.37	37.12
Rent*	69.32	13.00	13.02
Repairs & Maintenance	53.59	31.72	29.48
Insurance	45.30	2.48	2.97
Rates & Taxes	4.60	9.52	10.36
Penalty expense	0.01	-	-
Travelling & Conveyance	30.44	5.50	6.68
Printing & Stationery	3.61	2.25	2.84
Legal & Professional Fees	40.07	18.20	21.54
Payments To Auditors			
Statutory Audit	-	0.30	0.30
Housekeeping Expenses	-	12.43	13.02
Loss on sale of Investment	-	7.40	-
Donation	10.17	0.02	2.02
Sitting Fees to Directors*	0.60	0.60	0.60
Office Expenses	18.91	4.82	3.36
Telephone and Fax Expenses	0.86	-	-
Security Expenses	-	-	0.03
Subscription and Membership Fees	4.63	-	-
Internet Charges	6.44	3.67	5.38
Listing Fee	6.25	3.00	3.00
Miscellaneous Expenses	17.15	5.58	4.78
Total	1,188.13	658.65	690.15

* For Related Party Transaction refer Note No. 26

25. Earning per Share (EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic and Diluted Earning per Share (EPS)			
Profit available for Equity Shareholder	534.65	11.48	(80.83)
Weighted Average Number of Equity Shares outstanding at the end of respective year.	64.00	46.80	46.80
Basic and Diluted Earning per Share (EPS)	8.35	0.25	(1.73)
Face value of Share	10.00	10.00	10.00



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

26. Related Party Disclosures

As per Ind AS - 24, the disclosure of Party List, Relationship, Nature of Transactions, Transaction Amount & Outstanding Balances for FY 2023-24 & FY 2022-23 with Related Parties are given below:

26.1 List of related parties and relationships:

Related Party	Nature of Relationship
Vikram B. Sanghani Sanjay H. Dhamsania	Key Management Personnel
Sohel Vikram Sanghani Jaybhai Sanghani Jankunverben Dhamsania	Relative of Key Management Personnel
Dharamsibhai Ramjibhai Vadalia Vimal Laljibhai Kalaria Pratikumar Chandulal Dadhanla Dhara Sureshchandra Shah	Independent Directors
Ace Software Exports Ace Infoway Pvt. Ltd. Ace Nature Cure LLP ARPL Bunglows Ace Riverside Pvt Ltd Cuisinec Nutrition Pvt. Ltd.	Enterprise over which KMP are able to exercise significant influence

26.2 Transactions during the year with related

Nature of Transaction	Key Management Personnel	Independent Directors	Relative of Key Management Personnel	[₹ in Lakhs]
				Enterprise over which KMP are able to exercise significant influence
A. Transactions with related parties				
Loan and Advance Given	-	-	-	5.00
Loan and Advance received back	-	-	-	214.59 26.09
Rendering of Service	-	-	-	1,078.25
Rent Expense	-	-	-	43.26
Salary	48.75	-	-	-
Gratuity Paid	4.33	-	-	-
Rent Income	-	-	-	7.20
Staff Welfare Expense	-	-	-	5.91
Employee Benefit Expenses	66.00 66.00	-	-	-
Directors' sitting fees	-	0.60 0.60	-	-
Loan Given	-	-	-	200.00
Investment made	-	-	-	41.93
Interest Income	-	-	-	19.51 19.89
B. Balances outstanding at the end of the year				
Loan and Advance Given	-	-	-	240.08 435.16
Trade Receivable	-	-	-	82.87
Capital Advances	-	-	-	93.93 93.93
Remuneration Payable	-	-	-	3.13
Payable for investment	-	-	-	0.35
Advance Salary	1.02	-	-	-
Payable for Capital Asset	-	-	-	19.70 19.70

* Previous Figures in Italics



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

26.3 Related Party Disclosures

As per Ind AS - 24, the disclosure of Party List, Relationship, Nature of Transactions, Transaction Amount & Outstanding Balances for FY 2021-22 and FY 2020-21 with Related Parties are given below:

26.4 List of related parties and relationships:

Related Party	Nature of Relationship
Vikram B. Sanghani Sanjay H. Dhamsania	Key Management Personnel
Sohel Vikram Sanghani Jaybhai Sanghani Jamkunverben Dhamsania	Relative of Key Management Personnel
Dharamsibhai Ramjibhai Vadalia Vimal Laljibhai Kalaria Pratikkumar Chandulal Dadhania Dhara Sureshchandra Shah	Independent Directors
Ace Software Exports Ace Infoway Pvt. Ltd. ARPL Bunglows Ace Riverside Pvt Ltd Cuisinec Nutrition Pvt. Ltd.	Enterprise over which KMP are able to exercise significant influence

26.5 Transactions during the year with related parties and year-end balances

Nature of Transaction	Key Management Personnel	Independent Directors	Relative of Key Management Personnel	[in Lakhs]
				Enterprise over which KMP are able to exercise significant influence
A. Transactions with related parties				
Loan and Advance Given	-	-	-	35.25
	-	-	-	<i>210.99</i>
Loan and Advance received back	-	-	-	11.28
	-	-	-	<i>5.12</i>
Capital Advances given received back	-	-	-	74.00
	-	-	-	-
Loan Taken	6.00	-	-	-
	<i>44.05</i>	-	-	-
Rent Income	-	-	-	7.20
	-	-	-	<i>7.20</i>
Employee Benefit Expenses	66.00	-	1.20	-
	<i>56.00</i>	-	<i>4.80</i>	-
Directors' sitting fees	-	0.60	-	-
	-	<i>0.60</i>	-	-
Service Charges	-	-	-	-
	-	-	-	<i>6.30</i>
Interest Income	-	-	-	14.71
	-	-	-	<i>9.49</i>
B. Balances outstanding at the end of the year				
Loan and Advance Given	-	-	-	254.05
	-	-	-	<i>215.37</i>
Loan Taken	75.79	-	-	-
	<i>69.79</i>	-	-	-
Capital Advances	-	-	-	93.93
	-	-	-	<i>167.93</i>
Trade Payables	-	-	-	13.82
	-	-	-	<i>29.05</i>
Payable for Capital Asset	-	-	-	19.70
	-	-	-	<i>19.70</i>

* Previous Figures in Italics



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS

27 Disclosure Pursuant To Ind AS 19 - Employee Benefits

27.1 Defined Contribution Plan

The company makes contributions towards Provident Fund and Superannuation fund to defined contribution retirement benefit plan for the qualifying employees. The provident fund contributions are made to the Government administered Employees Provident Fund. Both the employees and the company make monthly contributions to the provident fund plan equal to a specified percentage of covered employee's salary. The superannuation fund is administered by the Life Insurance Corporation of India. Under the plan, the company is required to contribute a specified percentage of the covered employee's salary to the retirement benefit plan to fund the benefits.

The Company has recognized ₹ 2.45 Lakh, ₹ 3.32 Lakh & ₹ 3.64 Lakh in the Statement of Profit & Loss for the year ended March 31, 2024, March 31, 2023 & March 31, 2022 respectively under Defined Contribution Plan.

27.2 Defined Benefit Plan

The Company's plan assets in respect of gratuity are partly funded through the Group Scheme of Life Insurance Corporation of India. The scheme provides for the payment to vested employees as under:

- i) On normal retirement/ early retirement/ withdrawal/ resignation : As per the provisions of Gratuity Act, 1972 with vesting period of 5 years of service.
- ii) On death in service : As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The following table sets out the status of Gratuity and the amounts recognised in the company's financial statements as at March 31, 2024 and as at March 31, 2023

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Change in Present Value of Defined Benefit Obligations:			
Present Value of Benefit Obligation at beginning of the period	37.49	37.87	35.68
Current Service Cost	2.01	2.81	3.11
Interest Cost	2.66	2.80	2.43
Benefits Paid	(6.33)	(2.07)	-
Actuarial (Gains)/Losses arising from change in Financial Assumption.	0.63	(2.19)	-
Actuarial (Gains)/Losses arising from experience adjustments	(8.95)	(1.73)	(3.35)
Present Value of Benefit Obligation at the end of the period	27.51	37.49	37.87
Change in Fair Value of Plan Asset:			
Fair Value of plan asset at beginning of the period	33.01	31.25	26.54
Expected Return on plan Asset	2.23	2.29	1.89
Company Contributions	3.00	1.57	2.57
Benefits Paid	(6.33)	(2.07)	-
Actuarial Losses / (gains)	(0.17)	(0.03)	0.25
Present Value of Benefit Obligation at the end of the period	31.74	33.01	31.25
Amount Recognized in Balance Sheet:			
Present Value of Benefit Obligation at the end of the period	27.51	37.49	37.87
Fair Value of Planed Assets at the end of the period	31.74	33.01	31.25
Net Liability/(Asset) recognized in Balance Sheet	(4.22)	4.47	6.63
Expenses Recognized in Profit and Loss Statement:			
Current Service Cost	2.01	2.81	3.11
Net Interest on net Defined Liability/(Asset)	0.44	0.51	0.53
Expenses recognized in Statement of Profit and Loss	2.45	3.32	3.64
Expenses Recognized in Other Comprehensive Income			
Remeasurements:			
Actuarial (Gains)/Losses on Liability	(8.32)	(3.92)	(3.35)
Return on plan assets excluding amount included in 'Net interest on net Defined liability / (Asset)'	0.17	0.03	(0.25)
Total	(8.15)	(3.89)	(3.60)
Assumption used in accounting for Gratuity Plan:			
Discount Rate	7.10%	7.40%	6.80%
Salary Escalation	7.00%	7.00%	7.00%
Retirement Age	58 Years	58 Years	58 Years
Attrition - Withdrawal Rates	5% to 1%	5% to 1%	5% to 1%

Note 1 : Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion, and other relevant factors such as supply and demand in the employment market.



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumption, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discounte Rate - 1% Increase	34.55	34.21	34.23
Discounte Rate - 1% Decrease	40.83	41.24	42.07
Salary Escalation Rate - 1% Increase	41.63	41.22	42.02
Salary Escalation Rate - 1% Decrease	33.83	34.17	34.21
Withdrawal Rate - 1% Increase	37.95	37.57	37.85
Withdrawal Rate - 1% Decrease	37.02	37.39	37.88

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the company's financial statement at the balance sheet date:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total Employee Benefit Liability			
Current Liability	4.78	3.56	0.96
Non - Current Liability	22.73	33.93	21.44
Total	27.51	37.49	22.40



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. FAIR VALUE MEASUREMENTS

Financial Instruments by category

[Figures in Lakhs]

Particulars	31.03.2024		31.03.2023		31.03.2022	
	FVOCI	Amortiz ed Cost	FVOCI	Amortiz ed Cost	FVOCI	Amortiz ed Cost
Financial Assets						
Non-Current Investments	1,249.85	--	743.54	--	650.43	--
Security Deposit	--	10.77	--	10.96	--	18.74
Current Investments	8.01	--	2.12	--	2.15	--
Trade receivables	--	127.71	--	0.72	--	0.58
Cash and bank balance	--	548.95	--	85.77	--	107.02
Loans	--	580.55	--	488.11	--	399.80
Financial Liabilities						
Borrowings	--	190.14	--	--	--	176.60
Trade Payables	--	62.35	--	56.02	--	69.55
Other Financial Liabilities	--	123.42	--	19.88	--	20.42

Financial instruments by category

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair value of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of level follows are as under.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The equity instruments and mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
- The use of quoted market prices or quotes for similar instruments



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(A) Credit risk.

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market dealers, cash and cash equivalents, employee advances and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

(i) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as

- i) Actual or expected significant adverse change in business;
- ii) Actual or expected significant changes in the operating results of the counterparty;
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation;
- iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For trade receivables, the Company applies the simplified approach permitted by Ins AS-109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivable. When determining whether the credit risk of the financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Maturities of financial liabilities

All Financial liabilities disclosed in balance sheet are contractual undiscounted cash outflow due within 12 months.

(C) Market risk

(i) Price Risk

The company is mainly exposed to the price risk due to its investments in equity instrument and equity mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The above instruments risks are arise due to uncertainties about the future market values of these investments.

(ii) Currency Risk

The company has not significant exposure for export's revenue and import of raw material and property, plant and equipment so the company is not subject to risk that changes in foreign currency value impact.

(iii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the assets which are denominated in currency other than Indian Rupee. The company has negligible foreign currency exposure in US Dollar.



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. CAPITAL MANAGEMENT

Risk Management

For the purpose of the company's capital management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the company. The company manages its capital to optimize returns to the shareholders and makes adjustments to it in light of changes in economic conditions or its business requirements. The company's objectives are to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximize the shareholders value. The company funds its operation through internal accruals. The management and Board of Directors monitor the return on capital as well as the level of dividends to shareholders.



ACE SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

31. Other statutory information

- (i) Contingent Liabilities not provided for NIL
- (ii) Estimated amount of Contract remaining to be executed on Capital Accounts and not provided for, net of advance is - NIL (Previous year - NIL)
- (iii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (iv) The Company does not have any transactions with companies struck off.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (x) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (xi) According to the opinion of the management of the Company the value of realization of Trade & Other Receivables and Loans & Advances given in the ordinary course of business would not be less than the amount at which they are stated in the Balance sheet.
- (xii) The Group's operations fall under single segment namely Computer Software and Services Exports, hence Segment wise information is not furnished.
- (xiii) Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

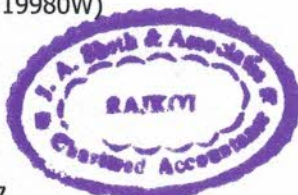
See accompanying Statement on Significant accounting policies & Notes to Accounts

As per our Report of even date

For J. A. Sheth & Associates,
Chartered Accountants
(Firm Registration No. 119980W)

JAShen
Jingal A. Sheth
Proprietor
Membership No. 107067

UDIN 24107067 BKFGJDS128



For & on behalf of the Board of Directors,

Sanjay Dhamsania

Jt. Managing Director
(DIN: 00013892)

Mansi Patel
Company Secretary

Vikram B Sanghani
Jt. Managing Director
(DIN: 00183818)

Jyotin Vasavada
Chief Financial Officer

Rajkot, Dated 30/7/24

Rajkot, Dated 30/07/2024

ACE SOFTWARE EXPORTS LIMITED

ANNEXURES FORMING PART OF NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS

ANNEXURE - A

Details of Share held by Promoters at the end of the year

Name of the Promoter	Number of Shares			% of holding of Shares	% Change during the year
	As at March 31, 2023	Change	As at March 31, 2024		
Vikram Bhupatbhai Sanghani	1,047,486	(293,682)	753,804	11.78%	-28.04%
Amit Mansukhlal Mehta	-	847,360	847,360	13.24%	100.00%
Sanjay Harilal Dhamsania (Jointly with Madhavi Sanjay Dhamsania)	580,978	-	580,978	9.08%	0.00%
Vikram Bhupatbhai Sanghani & Sanjay Harilal Dhamsania	-	295,257	295,257	4.61%	100.00%
Jhamkunver H Dhamsania	405,850	-	405,850	6.34%	0.00%
Jay Bhupatbhai Sanghani (Jointly with Vikram Bhupatbhai Sanghani)	318,049	-	318,049	4.97%	0.00%
Dhamsania Sanjay Harilal - HUF	130,600	-	130,600	2.04%	0.00%
Dhamsania Harilal Thakarshi- HUF	88,400	-	88,400	1.38%	0.00%
Vikram Bhupatbhai Sanghani -HUF	83,700	-	83,700	1.31%	0.00%
Rahul Jayantibhai Kalaria	132,412	312,330	444,742	6.95%	235.88%
Harsha Rahul Kalaria	120,000	-	120,000	1.88%	0.00%
Pushpaben Jayantibhai Kalaria	60,000	-	60,000	0.94%	0.00%
Jayantibhai Bhagvanjibhai Kalaria-HUF	50,000	-	50,000	0.78%	0.00%
Bina Vikram Sanghani	32,600	-	32,600	0.51%	0.00%
Dev Vikram Sanghani (Jointly with Vikram Bhupatbhai Sanghani)	30,000	-	30,000	0.47%	0.00%
Jayantibhai Bhagvanjibhai Kalaria	30,000	-	30,000	0.47%	0.00%
Sohel Vikrambhai Sanghani	30,000	-	30,000	0.47%	0.00%
Rahul Jayantibhai Kalaria- HUF	40,000	50,000	90,000	1.41%	125.00%
Vaishali Amit Mehta		400,000	400,000	6.25%	100.00%
Samishaben Ajaykumar Patel	3,100	-	3,100	0.05%	0.00%
Madhavi Sanjay Dhamsania	3,000	-	3,000	0.05%	0.00%



ACE SOFTWARE EXPORTS LIMITED

ANNEXURES FORMING PART OF NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS

ANNEXURE - A

Details of Share held by Promoters at the end of the year

Name of the Promoter	Number of Shares			% of holding of Shares	% Change during the year
	As at March 31, 2022	Change	As at March 31, 2023		
Vikram Bhupatbhai Sanghani	1,044,486	3,000	1,047,486	22.38%	0.29%
Sanjay Harilal Dhamsania (Jointly with Madhavi Sanjay Dhamsania)	580,978	-	580,978	12.41%	0.00%
Jhamkunver H Dhamsania	405,850	-	405,850	8.67%	0.00%
Jay Bhupatbhai Sanghani (Jointly with Vikram Bhupatbhai Sanghani)	318,049	-	318,049	6.80%	0.00%
Dhamsania Sanjay Harilal - HUF	130,600	-	130,600	2.79%	0.00%
Dhamsania Harilal Thakarshi- HUF	88,400	-	88,400	1.89%	0.00%
Vikram Bhupatbhai Sanghani -HUF	83,700	-	83,700	1.79%	0.00%
Rahul Jayantibhai Kalaria	132,412	-	132,412	2.83%	0.00%
Harsha Rahul Kalaria	120,000	-	120,000	2.56%	0.00%
Pushpaben Jayantibhai Kalaria	60,000	-	60,000	1.28%	0.00%
Jayantibhai Bhagvanjibhai Kalaria-HUF	50,000	-	50,000	1.07%	0.00%
Bina Vikram Sanghani	32,600	-	32,600	0.70%	0.00%
Dev Vikram Sanghani (Jointly with Vikram Bhupatbhai Sanghani)	30,000	-	30,000	0.64%	0.00%
Jayantibhai Bhagvanjibhai Kalaria	30,000	-	30,000	0.64%	0.00%
Sohel Vikrambhai Sanghani	30,000	-	30,000	0.64%	0.00%
Rahul Jayantibhai Kalaria- HUF	40,000	-	40,000	0.85%	0.00%
Samishaben Ajaykumar Patel	3,100	-	3,100	0.07%	0.00%
Madhavi Sanjay Dhamsania	3,000	-	3,000	0.06%	0.00%



ACE SOFTWARE EXPORTS LIMITED

ANNEXURES FORMING PART OF NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS

ANNEXURE - A

Details of Share held by Promoters at the end of the year

Name of the Promoter	Number of Shares			% of holding of Shares	% Change during the year
	As at March 31, 2021	Change	As at March 31, 2022		
Vikram Bhupatbhai Sanghani	1,036,334	8,152	1,044,486	22.32%	0.79%
Sanjay Harilal Dhamsania (Jointly with Madhavi Sanjay Dhamsania)	580,978	-	580,978	12.41%	0.00%
Jhamkunver H Dhamsania	405,850	-	405,850	8.67%	0.00%
Jay Bhupatbhai Sanghani (Jointly with Vikram Bhupatbhai Sanghani)	318,049	-	318,049	6.80%	0.00%
Dhamsania Sanjay Harilal - HUF	130,600	-	130,600	2.79%	0.00%
Dhamsania Harilal Thakarshi- HUF	88,400	-	88,400	1.89%	0.00%
Vikram Bhupatbhai Sanghani -HUF	83,700	-	83,700	1.79%	0.00%
Rahul Jayantibhai Kalaria	132,412	-	132,412	2.83%	0.00%
Harsha Rahul Kalaria	120,000	-	120,000	2.56%	0.00%
Pushpaben Jayantibhai Kalaria	60,000	-	60,000	1.28%	0.00%
Jayantibhai Bhagvanjibhai Kalaria-HUF	50,000	-	50,000	1.07%	0.00%
Bina Vikram Sanghani	32,600	-	32,600	0.70%	0.00%
Dev Vikram Sanghani (Jointly with Vikram Bhupatbhai Sanghani)	30,000	-	30,000	0.64%	0.00%
Jayantibhai Bhagvanjibhai Kalaria	30,000	-	30,000	0.64%	0.00%
Sohel Vikrambhai Sanghani	30,000	-	30,000	0.64%	0.00%
Rahul Jayantibhai Kalaria- HUF	40,000	-	40,000	0.85%	0.00%
Samishaben Ajaykumar Patel	3,100	-	3,100	0.07%	0.00%
Madhavi Sanjay Dhamsania	3,000	-	3,000	0.06%	0.00%



ACE SOFTWARE EXPORTS LIMITED

ANNEXURES FORMING PART OF NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS

B Ageing Schedule of Trade Receivables

[₹ in Lakhs]

Particulars	Outstanding for following period from date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables						
(i) Considered good	127.71 <i>0.72</i>					127.71 <i>0.72</i>
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-
Disputed Trade Receivables						
(iv) Considered good	-	-	-	-	-	-
(v) Which have significant increase in credit risk	-	-	-	-	-	-
(iv) Credit impaired	-	-	-	-	-	-

Note: Figures of Previous Year in Italics

C Ageing Schedule of Trade Payables

Particulars	Outstanding for following period from date of invoice				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	0.19 <i>-</i>	-	-	-	0.19 <i>-</i>
(ii) Others	62.13 <i>56.02</i>	0.04 <i>-</i>	-	-	62.17 <i>56.02</i>
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

Note: Figures of Previous Year in Italics



ACE SOFTWARE EXPORTS LIMITED

ANNEXURES FORMING PART OF NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS

ANNEXURE - D

Financial Ratios

Sr. No.	Particulars	2024	2023	2022	% of Variance	% of Variance
1	Current Ratio* (Total Current Assets/Total Current Liabilities)	3.10	7.02	3.93	-55.79%	78.50%
2	Debt to Equity Ratio (times) (Total Debt/Shareholders Equity) (Total Debt : Long Term Borrowing + Short Term Borrowing) (Shareholders Equity = Equity Share Capital + Reserves & Surplus)	0.06	0.00	0.09	NA	NA
3	Debt Service Coverage Ratio (times) (EBIT/Debt Service) (EBIT : Profit before Tax + Non cash operating expenses + Total Interest (excluding interest on short term borrowing)) (Debt Service = Total Interest (excluding interest on short term borrowing) + Principal Repayments within a year)	2.65	2.68	-0.24	-1.12%	-1207.27%
4	Return on Equity (%)& (Profit after tax (PAT)/Equity) (Equity = Equity Share Capital + Reserves & Surplus)	15.53%	0.57%	-4.03%	2606.91%	-114.24%
5	Inventory Turnover Ratio (times)# (Revenue from Operation/Average Inventory for the period)	19.99	9.52	8.77	109.95%	8.51%
6	Trade Receivables Turnover Ratio (times)# (Revenue from Operations/Average Trade Receivables for the period)	36.94	1588.24	1087.17	-97.67%	46.09%
7	Trade Payables Turnover Ratio (times)! (Other Expenses (excluding Share of Loss from LLP and Net Loss on Sale of Investments)/Average Trade Payables for the period)	20.11	10.37	10.44	93.85%	-0.64%
8	Net Capital Turnover (times)# (Revenue from Operations/Average working capital) (Average working capital : Total Current Assets-Total Current Liabilities)	2.37	1.66	1.99	43.05%	-16.87%
9	Net Profit Ratio (%)& (Net Profit for the period/Revenue from Operations)	22.54%	1.11%	-8.26%	1926.38%	-113.46%
10	Return on Capital Employed (%)& (Earnings before Interest & Taxes/Capital Employed) (Capital Employed : Equity Share Capital + Reserves & Surplus + Long Term Borrowing + Short Term Borrowing + Deferred tax liabilities)	17.00%	0.97%	-3.27%	1654.18%	-129.62%
11	Return on Investment (%)^ (Income earned on investment/Average Investment for the period)	55.84%	3.52%	10.41%	1485.70%	-66.18%

Explanation for changes in ratios by more than 25%

* Change is due to increase in borrowings as compare to PY

& Change is due to increase in profit as compare to PY

Change is due to Increase in Revenue as compare to PY

^ Change is due to increase in investment

! Change is due to increase in expense



OTHER FINANCIAL INFORMATION

Particulars	Based on Consolidated Financial Results		Based on Restated Consolidated Financial Statements		
	As at and for the period ended June 30, 2024	As at and for the period ended June 30, 2023	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Basic earnings per share (₹)	1.73	(0.57)	8.35	0.25	(1.73)
Diluted earnings per share (₹)	1.73	(0.57)	8.35	0.25	(1.73)
Return on Net Worth (%)	3.88%	(1.67)%	19.48%	0.70%	(4.99)%
Net Asset Value per Equity Share (₹)	44.53	34.37	42.88	35.03	34.63
EBITDA (₹ in Lakhs)	132.41	(19.00)	661.43	77.16	(7.19)

Calculation of Return of Net Worth

(₹ in Lakhs)

Particulars	Based on Consolidated Financial Results		Based on Restated Consolidated Financial Statements		
	As at and for the period ended June 30, 2024	As at and for the period ended June 30, 2023	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Net Profit/(Loss) after Tax from continued operations and discontinued operations (before OCI) (A)	110.59	(26.80)	534.65	11.48	(80.83)
Net Worth (B)*	2,849.81	1,608.50	2,744.08	1,639.20	1,620.71
Return of Net Worth (A/B) (%)	3.88%	(1.67) %	19.48%	0.70%	(4.99) %

*Net worth as per 2(1)(hh) of SEBI (ICDR) Regulations, 2018

Calculation of Net asset value per Equity Share

Particulars	Based on Consolidated Financial Results		Based on Restated Consolidated Financial Statements		
	As at and for the period ended June 30, 2024	As at and for the period ended June 30, 2023	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Net Worth (A) (₹ in Lakhs)	2,849.81	1,608.50	2,744.08	1,639.20	1,620.71
No. of shares (B) (in numbers)	64,00,000	46,80,000	64,00,000	46,80,000	46,80,000
Net Assets Value (₹) [(A x 100,000) / B]	44.53	34.37	42.88	35.03	34.63

Calculation of EBITDA

(₹ in Lakhs)

Particulars	Based on Consolidated Financial Results		Based on Restated Consolidated Financial Statements		
	As at and for the period ended June 30, 2024	As at and for the period ended June 30, 2023	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Net Profit/ Loss after Tax	110.59	(26.80)	534.65	11.48	(80.83)
Add: Taxes [Short/(Excess) provision for income tax of earlier years]	-	-	43.52	0.85	-
Add: Finance Cost	7.46	0.18	12.88	7.07	9.37
Add: Depreciation and Amortisation Expense	14.36	7.62	70.38	57.76	64.27
EBITDA	132.41	(19.00)	661.4343	77.16	(7.19)

CAPITALISATION STATEMENT

(₹ in Lakhs)

Particulars	Pre-issue as at March 31,2024	As adjusted for the issue (Post-Issue)*
Total Borrowings		
Current borrowings*	190.14	[•]
Non-current Borrowings (including current maturity)*	-	
Total Borrowings (A)	190.14	[•]
Total Equity		
Equity share capital*	640.00	[•]
Other equity*	2,368.36	[•]
Total Equity (B)	3,008.36	[•]
Ratio: (Total Borrowings / Total Equity)	0.06	[•]

**These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).*

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Statements as of and for the year ended March 31, 2024, March 31, 2023, and March 31, 2022 and Unaudited Consolidated Financial Results, all prepared in accordance with the Companies Act and Ind AS, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled “Financial Statements” on page 96 of this Draft Letter of Offer. Unless otherwise stated, the financial information used in this chapter is derived from the Restated Consolidated Financial Statements and Unaudited Consolidated Financial Results of our Company.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled “Risk Factors” and “Forward-Looking Statements” on pages 23 and 17 respectively, of this Draft Letter of Offer.

Our financial year ends on March 31 of each year; so all references to a particular “Financial year” and “Fiscal” are to the twelve (12) month period ended March 31 of that financial year. References to the “Company”, “we”, “us” and “our” in this chapter refer to our Company along with our Subsidiaries except ATPL, as applicable in the relevant period unless otherwise stated.

Overview

Our Company was originally incorporated as ‘Ace Software Exports Limited’ as a public limited company at Rajkot, Gujarat under the Companies Act, 1956 and was granted the certificate of incorporation on August 17, 1994. Thereafter, our Company was granted the certificate of commencement of business dated September 23, 1994. There has been no change in the name of the Company since its incorporation. The Equity Shares of our Company are listed on BSE Limited with scrip symbol ACESOFT and scrip code 531525. The ISIN of our Company’s Equity Share is INE849B01010.

Our Company is primarily engaged in the business of document management, digital publishing, data conversion solutions and technology consulting employing efficient process engineering and adaptable conversion systems.

Furthermore, in April 2024, there was a significant change in the management of the Company due to an open offer in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, triggered pursuant to the execution of the Share Subscription Agreement (“SSA”) dated January 06, 2024 amongst our Company, Amit Mansukhlal Mehta and Vaishali Amit Mehta which was approved by the Board of Directors of our Company, at its meeting held on January 06, 2024 in terms of which, our Company issued and allotted collectively 12,47,360 Equity Shares representing 19.49% of the Equity Share Capital on preferential basis to Amit Mansukhlal Mehta and Vaishali Amit Mehta in accordance with the provisions of the Companies Act, 2013 and the rules framed thereunder and Chapter V of the SEBI (ICDR) Regulations. As a consequence, Amit Mansukhlal Mehta and Vaishali Amit Mehta were classified as the Promoters and member of the Promoter Group respectively along with the existing Promoter and members of the Promoter Group of our Company.

With the intention of growth and business diversification, our Company has acquired 80,000 equity shares of face value of ₹10/- each representing 40% of the paid-up equity share capital *vide* share purchase and subscription agreement dated January 06, 2024 of Ace Infoway Private Limited (AIPL), a company engaged in the business of product engineering, digital transformation, integrations, data analytics, machine learning (ML), web & mobile application development, website development, platform migrations, ecommerce development and cloud development.

Our Company *vide* a ‘Supplement LLP Agreement’ dated April 10, 2024, has also invested ₹963.02 Lakhs for acquisition of 40% partnership interest in QeNomy Digital LLP. QeNomy is engaged in the business of web/software development, mobile applications, digital marketing and other allied IT Services catering to clients from across the globe such as U.S., UK, Australia.

Our Company *vide* a ‘Supplement LLP Agreement’ dated February 15, 2024 has also invested ₹286.34 Lakhs acquisition of 40% partnership interest in QeCAD Studio LLP. QeCAD Studio LLP is engaged in the business of

delivering architectural CAD, BIM and rendering digital solutions, 3D modeling globally such as U.S., UK, Australia.

By abovementioned acquisitions, AIPL has become a subsidiary of the Company and QeNomy Digital LLP and QeCAD Studio LLP have become controlled entities of our Company.

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our business, financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled ‘*Risk Factors*’ on page 23. The following are certain factors that had, and we expect will continue to have, a significant effect on our business, financial condition and results of operations:

- Factors affecting the Information Technology Industry;
- Increasing competition in the Industry;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.
- Our dependence on our key managerial personnel, including our Directors and senior management
- Our ability to successfully implement our business strategy and plans

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the years or periods presented in the Restated Consolidated Financial Statements and Unaudited Consolidated Financial Results. For details of our significant accounting policies, please refer chapter titled “*Financial Statements*” on page 96 of this Draft Letter of Offer.

CHANGE IN ACCOUNTING POLICIES

There has been no change in accounting policies for the three months period ended June 30,2024 and Financial Years 2024, 2023, and 2022.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS/OTHER OBSERVATIONS IN CARO

The following is the summary of qualifications/reservations/emphasis of matters/adverse remarks/other observations in CARO (as applicable) in the Restated Financial Statements and Audited Financial Statements for Financial Year 2024, 2023, and 2022:

Period	Type of Financials	Qualifications/Reservations/Matter of Emphasis/Adverse Remarks/ Other Observations in CARO	Impact on the Financial Statements of the Company												
Financial Year 2024	Standalone	<p>Report on other Legal and Regulatory Requirements:</p> <p>(i)(a)(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2A to the Standalone Financial Statements are held in the name of the Company except the following:</p> <table border="1" data-bbox="512 1832 1286 2024"> <thead> <tr> <th>Particulars of Property</th> <th>Gross Block as at March 31,2024</th> <th>Held in name of</th> <th>Whether promoter, director or their relative or employee</th> <th>Period held – indicate range, where appropriate</th> <th>Reason for not being held in the name of Company</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Particulars of Property	Gross Block as at March 31,2024	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company							NIL
Particulars of Property	Gross Block as at March 31,2024	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company										

Period	Type of Financials	Qualifications/Reservations/Matter of Emphasis/Adverse Remarks/ Other Observations in CARO					Impact on the Financial Statements of the Company
		Offices no. 218.88 803 to 810, Lakhs located at 8 th floor of Everest building, Opp. Shashtri Maidan	Ace Softwar e Exports	Yes	FY 2015-16	Pending completion of legal formalities related to conveyance	
(iii)(f) The Company has granted loans or advances in the nature of loans repayable on demand to companies, firms, limited liability partnership or any other parties as follows:							
(₹ in lakhs)							
		Particulars	All Parties	Promoters	Related Parties		
		Aggregate amount of loans/advances in nature of loans	-	-	-		
		- Repayable on demand	292.72	-	240.08		
		- Agreement does not specify any terms or period of repayment	-	-	-		
		Total (A+B)	292.72	-	240.08		
		Percentage of loans/advances in nature of loans to the total loans	100.00%	-	82.02%		
Financial Year 2024	Consolidated	NIL					NIL
Financial Year 2023	Standalone	Report on other Legal and Regulatory Requirements:					
(i)(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2A to the Standalone Financial Statements are held in the name of the Company except the following:						NIL	
		Particulars of Property	Gross Block as at March 31, 2023	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
		Offices no. 218.88 803 to 810, Lakhs located at 8 th floor of Everest building, Opp. Shashtri	Ace Softwar e Exports	Yes	FY 2015-16	Pending completion of legal formalities related to conveyance	

Period	Type of Financials	Qualifications/Reservations/Matter of Emphasis/Adverse Remarks/ Other Observations in CARO	Impact on the Financial Statements of the Company
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(iii)(f) The Company has granted loans or advances in the nature of loans repayable on demand to companies, firms, limited liability partnership or any other parties as follows:

(₹ in lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/advances in nature of loans	-	-	-
- Repayable on demand	485.84	-	176.39
- Agreement does not specify any terms or period of repayment	-	-	-
Total (A+B)	485.84	-	176.39
Percentage of loans/advances in nature of loans to the total loans	100.00%	-	100.00%

Financial Year 2023	Consolidated	NIL	NIL
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Financial Year 2022	Standalone	Report on other Legal and Regulatory Requirements:	NIL
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(i)(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2A to the Standalone Financial Statements are held in the name of the Company except the following:

Particulars of Property	Gross Block as at March 31, 2022	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Offices no. 803 to 810, located at 8 th floor of Everest building, Opp. Shashtri Maidan	218.88 Lakhs	Ace Software Exports	Yes	FY 2015-16	Pending completion of legal formalities related to conveyance

(iii)(f) The Company has granted loans or advances in the nature of loans repayable on demand to companies, firms, limited liability partnership or any other parties as follows:

(₹ in lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate	-	-	-

Period	Type of Financials	Qualifications/Reservations/Matter of Emphasis/Adverse Remarks/ Other Observations in CARO	Impact on the Financial Statements of the Company
		amount of loans/advances in nature of loans	
		- Repayable on demand	502.74 - 182.31
		- Agreement does not specify any terms or period of repayment	- - -
		Total (A+B)	502.74 - 182.31
		Percentage of loans/advances in nature of loans to the total loans	100.00% - 100.00%
Financial Year 2022	Consolidated	NIL	NIL

PRINCIPLE COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Revenue

Our revenue comprises of:

Revenue from operations

Revenue from operations comprises revenue from software services.

Other income

Other income primarily comprises interest income, dividend income, net gain on foreign exchange transactions and translations, discount income, rental income, profit on sale of investment/ assets, share of profit from LLP and Short-term capital gain and Miscellaneous income.

Expenses

Our expenses primarily comprise changes in inventories of finished goods, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Employee benefit expenses

Employee benefit expenses include salaries and wages, contribution to provident & other funds and staff welfare expenses.

Finance costs

Finance costs include interest on borrowings, interest on delayed payment of taxes and bank charges.

Other expenses

Other expenses include operating expenses, developing charges, hosting charges, training expenses, advertisement, commission, power and fuel, rent, repair & maintenance, insurance, rates & taxes, penalty,

travelling & conveyance, printing & stationary, legal & professional fees, audit fees, housekeeping expenses, loss on sale of investment, donation, sitting fees to directors, office expenses, telephone & fax expenses, security expenses, subscription and membership fees, internet charges, listing fees and miscellaneous expenses.

Tax expenses

Tax expenses include current tax and deferred tax expenses.

Results of our Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

(₹ In Lakhs)

Particulars	Three months period ended on June 30,2024		Three months period ended on June 30,2023		Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	530.95	94.85%	190.03	95.82%	2,372.31	79.71%	1,032.35	95.92%	978.45	92.37%
Other Income	28.82	5.15%	8.29	4.18%	603.82	20.29%	43.95	4.08%	80.87	7.63%
Total Revenue	559.77	100.00%	198.32	100.00%	2,976.13	100.00%	1,076.31	100.00%	1,059.32	100.00%
Cost of Material Consumed	-	-	-	-	-	-	-	-	-	-
Purchase of stock-in-trade	-	-	-	-	-	-	-	-	-	-
Changes in Inventories of finished goods and work-in-progress	(117.97)	(21.07)%	(6.50)	(3.28)%	(13.11)	0.44%	(7.39)	(0.69)%	13.55	1.28%
Employee Benefit Expenses	255.12	45.58%	69.53	35.06%	1,139.69	38.29%	347.88	32.32%	362.80	34.25%
Financial Cost	7.46	1.33%	0.18	0.09%	12.88	0.43%	7.07	0.66%	9.37	0.88%
Depreciation and Amortization Expenses	14.36	2.57%	7.62	3.84%	70.38	2.36%	57.76	5.37%	64.27	6.07%
Other Expenses	290.21	51.84%	154.29	77.80%	1,188.13	39.92%	658.65	61.20%	690.15	65.15%
Total Expenses	449.18	80.24%	225.12	113.51%	2,397.97	80.57%	1,063.98	98.85%	1,140.15	107.63%
Profit/(Loss) before tax	110.59	19.76%	(26.80)	(13.51)%	578.16	19.43%	12.33	1.15%	(80.83)	(7.63)%
Tax expense/ (Savings):										
- Current Tax	-	-	-	-	92.87	3.12%	0.85	0.08%	-	-
- Deferred Tax	-	-	-	-	(3.26)	(0.11)%	-	-	-	-
- MAT credit	-	-	-	-	(46.09)	(1.55)%	-	-	-	-
Total Tax expenses/(Savings)	-	-	-	-	43.52	1.46%	0.85	0.08%	-	-
Profit/(Loss) for the period	110.59	19.76%	(26.80)	(13.51)%	534.65	17.96%	11.48	1.07%	(80.83)	(7.63)%

For the three months period ended on June 30, 2024 as compared to the three months period ended June 30, 2023

Total Revenue

Our total revenue for the three months period ended on June 30, 2024, was ₹559.77 lakhs as compared to ₹198.32 lakhs for the three months period ended June 30, 2023 representing an increase of 182.26%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the three months period ended on June 30, 2024, was ₹530.95 lakhs as compared to ₹190.03 lakhs for the three months period ended on June 30, 2023, representing an increase of 179.40%. The increase was primarily due to increase in revenue as a result of acquisition of a subsidiary.

Other Income

Other income for the three months period ended on June 30, 2024, was ₹28.82 lakhs as compared to ₹8.29 lakhs for the three months period ended on June 30, 2023, representing an increase of 247.65%. The increase in other income was primarily due to share of profit of an acquired LLP.

Expenses

Our total expenditure for the three months period ended on June 30, 2024, was ₹449.18 lakhs as compared to ₹225.12 lakhs for three months period ended on June 30, 2023, representing an increase of 99.53%. Total expenditure comprises of:

Cost of Material Consumed

The cost of material consumed for the three months period ended on June 30, 2024, was Nil as compared to Nil for the three months period ended on June 30, 2023.

Purchase of stock-in-trade

Purchase of stock-in-trade for the three months period ended on June 30, 2024 was Nil as compared to Nil for the three months period ended on June 30, 2023.

Changes in inventories of finished goods, work in progress and stock in trade

The changes inventories of finished goods, work in progress and stock in trade for the three months period ended on June 30, 2024, was ₹(117.97) lakhs as compared to ₹(6.50) lakhs for the three months period ended on June 30, 2023. The change was due to delivery of completed assignments which were work in progress during the three months period ended June 30,2024 as compared to June 30,2023.

Employee benefit expenses

Employee benefit expense for the three months period ended on June 30, 2024, was ₹255.12 lakhs as compared to ₹69.53 lakhs for the three months period ended on June 30, 2023, representing an increase of 266.92%. This increase was primarily due to an increase in salaries & wages, contribution to provident & other funds and staff welfare expenses as a result of acquisition of a subsidiary.

Finance cost

Finance cost for the three months period ended on June 30, 2024, was ₹7.46 lakhs as compared to ₹0.18 lakhs for the three months period ended on June 30, 2023. The increase in finance cost was primarily due to an increase in interest expenses and bank charges of a subsidiary.

Depreciation and amortization expenses

Depreciation and amortization expenses for the three months period ended on June 30, 2024, was ₹14.36 lakhs as compared to ₹7.62 lakhs for the three months period ended on June 30, 2023, representing an increase of 88.45%. This increase was due to an increase in depreciation and amortization as a result of acquisition of a subsidiary.

Other expenses

Other expenses for the three months period ended on June 30, 2024, was ₹290.21 lakhs as compared to ₹154.29 lakhs for the three months period ended on June 30, 2023, representing an increase of 88.09%. This increase was primarily due to development charges, advertisement expense, rent expense, power and fuel expenses, legal and professional fees and office expenses.

Profit/(loss) before Tax

The profit/(loss) before tax for the three months period ended on June 30, 2024, was ₹110.59 lakhs as compared to ₹(26.80) lakhs for the three months period ended on June 30, 2023. This increase in profit before tax was primarily on account of an increase in revenue from operations and other income as a result of acquisition of a subsidiary.

Tax expenses

Total tax expense/(savings) for the three months period ended on June 30, 2024, was Nil as compared to Nil for the three months period ended on June 30, 2023.

Profit/(Loss) after tax for the period

In light of above discussion, the profit/(Loss) after tax for the three months period ended on June 30, 2024, was ₹110.59 lakhs as compared to ₹(26.80) lakhs for the three months period ended on June 30, 2023.

Financial Year 2024 compared to Financial Year 2023

Total Revenue

Our total revenue for the financial year 2024, was ₹2,976.13 lakhs as compared to ₹1,076.31 lakhs for the financial year 2023, representing an increase of 176.51%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the financial year 2024, was ₹2,372.31 lakhs as compared to ₹1,032.35 lakhs for the financial year 2023, representing an increase of 129.80%. The increase was primarily due to the acquisition of a 40% stake in Ace Infoway Private Limited w.e.f. February 18, 2024.

Other Income

Other income for the financial year 2024, was ₹603.82 lakhs as compared to ₹43.95 lakhs for the financial year 2023. The increase in other income was primarily due to increase in interest income from Bank on deposits, profit on the sale of investments, profit on sale of land and share of profit from LLP.

Expenses

Our total expenditure for the financial year 2024, was ₹2,397.97 lakhs as compared to ₹1,063.98 lakhs for the financial year 2023, representing an increase of 125.38%. Total expenditure comprises of:

Cost of Material Consumed

The cost of material consumed for the financial year 2024, was Nil as compared to Nil for the financial year 2023.

Purchase of stock-in-trade

Purchase of stock-in-trade for the financial year 2024 was Nil as compared to Nil for the financial year 2023.

Changes in inventories of finished goods, work in progress and stock in trade

The changes inventories of finished goods, work in progress and stock in trade for the financial year 2024 was ₹(13.11) lakhs as compared to ₹(7.39) lakhs for the financial year 2023. The change was due to increase in inventory for the financial year 2024 as compared to financial year 2023.

Employee benefit expenses

Employee benefit expense for the financial year 2024 was ₹1139.69 lakhs as compared to ₹347.88 lakhs for the financial year 2023, representing an increase of 227.61%. This increase was primarily due to an increase in salaries & wages, contribution to provident & other funds and staff welfare expenses as a result of acquisition of a subsidiary.

Finance cost

Finance cost for the financial year 2024 was ₹12.88 lakhs as compared to ₹7.07 lakhs for the financial year 2023, representing an increase of 82.18%. The increase in finance cost was primarily due to an increase in interest expense on overdraft, car loan and bank charges.

Depreciation and amortization expenses

Depreciation and amortization expenses for the financial year 2024 was ₹70.38 lakhs as compared to ₹57.76 lakhs for the financial year 2023, representing an increase of 21.85%. This increase was due to an increase in depreciation and amortization as a result of acquisition of a subsidiary.

Other expenses

Other expenses for the financial year 2024, was ₹1,188.13 lakhs as compared to ₹658.65 lakhs for the financial year 2023, representing an increase of 80.39%. This increase was primarily due to an increase in development charges, hosting charges, training charges, operating expenses, advertisement expense, rent expense, repair & maintenance, insurance, travelling & conveyance, legal & professional fees, office expenses and miscellaneous expenses as a result of acquisition of a subsidiary.

Profit/(loss) before Tax

The profit/(loss) before tax for the financial year 2024 was ₹578.16 lakhs as compared to ₹12.33 lakhs for the financial year 2023. This increase in profit before tax was primarily on account of an increase in revenue from operations, profit on sale of investment and profit on sale of land.

Tax expenses

Total tax expense/(savings) for the financial year 2024 was ₹43.52 lakhs as compared to ₹0.85 lakhs for the financial year 2023. The increase was on account of an increase in current tax as a result of an increase in profit before tax.

Profit/(Loss) after tax for the period

In light of above discussion, the profit/(Loss) after tax for the financial 2024, was ₹534.64 lakhs as compared to ₹11.48 lakhs for financial year 2023.

Financial Year 2023 compared to Financial Year 2022

Total Revenue

Our total revenue for the financial year 2023 was ₹1,076.31 lakhs as compared to ₹1,059.32 lakhs for the financial year 2022, representing an increase of 1.60%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the financial year 2023 was ₹1,032.35 lakhs as compared to ₹ 978.45 lakhs for the financial Year 2022, representing an increase of 5.51%. The increase was primarily on account of an increase in revenue from operations.

Other income

Other income for the financial year 2023 was ₹43.95 lakhs as compared to ₹80.87 Lakhs for the financial year 2022, representing a decrease of 45.65%. The decrease in other income was primarily on account of decrease in interest from banks on deposits and decrease in profit on sale of investment.

Expenses

Our total expenditure for the financial year 2023 was ₹1,063.98 lakhs as compared to ₹1140.15 lakhs for the financial year 2022, representing a decrease of 6.68%. Total expenditure comprises of:

Cost of Material Consumed

The Cost of Material Consumed for the financial year 2023 was Nil as compared to Nil for the financial year 2022.

Purchase of stock-in-trade

Purchase of stock-in-trade for the financial year 2023 was Nil as compared to Nil for the financial year 2022.

Changes in inventories of finished goods, work in progress and stock-in-trade

The changes inventories of finished goods, work in progress and stock-in-trade for the financial year 2023 was ₹(7.39) lakhs as compared to ₹13.55 lakhs for financial year 2022. The change was due to decrease in inventory as a result of increase in sales for the financial year 2023 as compared to financial year 2022.

Employee benefit expenses

Employee benefit expense for the financial year 2023 was ₹347.88 lakhs as compared to ₹362.80 lakhs for the financial year 2022, representing a decrease of 4.11%. The decrease was primarily due to decrease in salary & wages for the financial year 2023 as compared to financial year 2022 as a result of reduction in number of employees.

Finance cost

Finance cost for the financial year 2023 was ₹7.07 lakhs as compared to ₹9.37 lakhs for the financial year 2022, representing a decrease of 24.55%. The decrease in finance cost was primarily due to decrease in interest on term loan for the financial year 2023 as compared to financial year 2022.

Depreciation and amortization expenses

Depreciation and amortization expenses for the financial year 2023 was ₹57.76 lakhs as compared to ₹64.27 lakhs for the financial year 2022, representing a decrease of 10.13%. This decrease was due to decrease in depreciation and amortization as a result of sale of property, plant and equipment.

Other expenses

Other expenses for the financial year 2023 were ₹658.65 lakhs as compared to ₹690.15 lakhs for the financial year 2022, representing a decrease of 4.56%. This decrease was primarily due to decrease in advertisement expenses, rates & taxes, traveling & conveyance, legal & professional fees and internet charges.

Profit/(loss) before Tax

The profit/(loss) before tax for the financial year 2023 was ₹12.33 lakhs as compared to ₹(80.83) lakhs for the financial year 2022. This increase in Profit before tax was primarily due to an increase in revenue from operations and decrease in employee benefit expenses, other expenses, finance cost and depreciation & amortization.

Tax expenses/(Savings)

Total tax expense/(Savings) for the financial year 2023 was ₹0.85 lakhs as compared to Nil for the financial year 2022. This increase in tax expense was primarily due to increase in profit before tax for the financial year 2023 as compared to loss before tax for the financial year 2022.

Profit/(Loss) for the period after tax

In light of the above discussion, the profit/(loss) after tax for the financial year 2023 was ₹11.48 lakhs as compared to ₹(80.83) lakhs for the financial year 2022.

Cash Flows

The following table sets forth certain information relating to the cash flows for the periods indicated:

Particulars	<i>(In ₹ lakh)</i>		
	Financial Year 2024	Financial Year 2023	Financial Year 2022
Net cash flows generated from/ (used in) operating activities	(332.20)	(77.50)	258.36
Net cash flows from/ (used in) investing activities	(459.17)	282.67	(226.20)
Net cash flows generated from / (used in) financing activities	1,267.63	(228.96)	(14.46)
Net increase/(decrease) in cash and cash equivalents	476.27	(23.79)	17.71

Cash flows from/ (used in) operating activities

Financial Year 2024

Our net cash used in operating activities was ₹332.20 lakhs for the financial year 2024. Our operating profit before changes in working capital changes was ₹82.95 lakhs which was primarily adjusted against increase in current and non-current assets by ₹293.62 lakhs and decrease in current and non-current liabilities by ₹46.93 lakhs. The cash used in operations was ₹257.61 lakhs and net taxes paid were ₹74.59 lakhs in the financial year 2024.

Financial Year 2023

Our net cash used in operating activities was ₹77.50 lakhs for the financial year 2023. Our operating profit before changes in working capital changes was ₹45.02 lakhs which was primarily adjusted against increase in current and non-current assets by ₹85.19 lakhs and decrease in current and non-current liabilities by ₹43.70 lakhs. The cash used in operations was ₹83.87 lakhs and net taxes refund were ₹6.37 lakhs in the financial year 2023.

Financial Year 2022

Our net cash generated in operating activities was ₹258.36 lakhs for the financial year 2022. Our operating loss before changes in working capital changes was ₹43.26 lakhs which was primarily adjusted against decrease in current and non-current liabilities and increase in current and non-current assets by ₹23.41 lakhs and ₹325.03 lakhs respectively. The cash generated from operations was ₹ 258.36 lakhs in the financial year 2022.

Cash flows from/ (used in) investing activities

Financial Year 2024

Our net cash used in investing activities was ₹459.17 lakhs for the financial year 2024. It was primarily on account of Purchase of Fixed Assets and Purchase of investments amounting to ₹47.76 lakhs and ₹459.78 lakhs, respectively which is offset by interest income and dividend income amounting to ₹48.36 lakhs and 0.03 lakhs, respectively.

Financial Year 2023

Our net cash generated from investing activities was ₹282.67 lakhs for the financial year 2023. It was primarily on account of Sale of Fixed Assets, interest income and dividend income amounting to ₹324.46 lakhs, ₹32.90 lakhs and ₹0.03 lakhs, respectively.

Financial Year 2022

Our net cash used in investing activities was ₹226.20 lakhs for the financial year 2022. It was primarily on account of Purchase of investments amounting to ₹355.07 lakhs which is offset by sale of fixed assets, interest income and dividend income amounting to ₹99.09 lakhs, ₹29.77 lakhs and ₹0.01 lakhs, respectively.

Cash flows from/ (used in) financing activities

Financial Year 2024

Net cash generated from financing activities for the financial year 2024 was ₹1,267.63 lakhs which was primarily on account of increase in non-controlling interest, equity share capital and short term borrowings amounting to ₹488.37 lakhs, ₹602.00 lakhs and ₹190.14, respectively.

Financial Year 2023

Net cash used in financing activities for the financial year 2023 was ₹228.96 lakhs which was primarily on account of decrease in non-controlling interest, long term borrowings, and short-term borrowings amounting to ₹45.29 lakhs, ₹156.25 lakhs and ₹20.35 lakhs, respectively and interest cost of ₹7.07 lakhs.

Financial Year 2022

Net cash used in financing activities for the financial year 2022 was ₹14.46 lakhs which was primarily on account of decrease in long term borrowings of ₹14.35 lakhs and interest cost of ₹0.38 lakhs.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the chapter titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 23 and 100 respectively, of this Draft Letter of Offer, to our knowledge, there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

The Extent to which Material Increases in Net Sales or Revenue are Due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue from operations for the three months period ended June 30,2024 and in the last three Financial Years 2024, 2023 and 2022 are as explained in this section.

Seasonality of business

Our business is not affected by any seasonal changes.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in chapter titled “*Risk Factors*” on page 23, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details regarding our related party transactions for the Financial Years 2024,2023 and 2022, please refer “*Financial Statements – Restated Consolidated Financial Statements – Notes to Restated Consolidated Financial Statements – Note 26*” on page F25 of this Draft Letter of Offer.

Material developments after March 31, 2024, that may affect our future results of operations

Other than as disclosed in this Draft Letter of Offer, to our knowledge, no material developments have arisen since March 31,2024, which materially and adversely affect or are likely to affect the operations, performance, prospects or profitability, or the value of the assets of the Company or the ability to pay material liabilities:

1. On April 10, 2024, the Company has acquired 40% capital contribution of QeNomy Digital LLP, an LLP engaged in the business of web/software development, mobile applications, digital marketing and other allied IT Services.
2. The Board at their meeting held on June 5, 2024 approved the incorporation of a wholly owned subsidiary namely AQE Techtools Private Limited which has been incorporated on July 4, 2024. AQE Techtools Private Limited is yet to commence the business operations.
3. The Company has availed drop line overdraft facility of ₹500.00 lakhs from the ICICI Bank on April 09, 2024 .

MARKET PRICE INFORMATION

The Equity Shares are listed on the BSE. The Rights Equity Shares will be listed on the Stock Exchange pursuant to the Issue. For further details, please see "*Terms of the Issue*" on page 127 of this Draft Letter of Offer. We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchange to be issued pursuant to the Issue from the BSE by letter dated [●]. Our Company will also make application to BSE to obtain the trading approval from the stock exchange for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case maybe;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of two days with the same high/low/closing price, the date with higher volume has been considered

Stock Market Data of the Equity Shares

The following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded.

Financial Year	BSE							
	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (No. of Equity Shares)	Average (₹)	Volume of Equity Shares traded in a year
2023-24*	113.77	March 12, 2024	20,496	15.35	April 21, 2023	711	36.85	7,66,523
2022-23	24.73	October 20, 2022	1,640	14.00	July 27, 2022	283	18.25	2,17,829
2021-22	30.50	January 12, 2022	4,578	11.25	April 05, 2021	1,430	17.80	4,48,508

(Source: www.bseindia.com)

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

Monthly	BSE							
	High (₹) [#]	Date of High	Volume on date of high (No. of Equity Shares)	Low (₹) ^{##}	Date of Low	Volume on date of low (No. of Equity Shares)	Average (₹) ^{###}	Volume of Equity Shares traded in a month
August 2024	373.60	August 13, 2024	19,154	303.70	August 29, 2024	30,671	338.64	8,04,647

BSE								
Monthly	High (₹) [#]	Date of High	Volume on date of high (No. of Equity Shares)	Low (₹) ^{##}	Date of Low	Volume on date of low (No. of Equity Shares)	Average (₹) ^{###}	Volume of Equity Shares traded in a month
July 2024	350.00	July 29, 2024	7,280	243.75	July 01, 2024	1,458	298.37	53,869
June 2024	254.65	June 14, 2024	1,423	209	June 04, 2024	20,717	237.90	1,12,748
May 2024	209.10	May 31, 2024	2,209	141.60	May 02, 2024	1,284	175.12	44,421
April 2024	153.28	April 24, 2024	10,254	87.68	April 01, 2024	3,441	131.52	92,296
March 2024	113.77	March 12, 2024	20,496	91.19	March 28, 2024	3,773	103.47	1,94,645
February 2024*	99.06	February 29, 2024	23,106	66.74	February 1, 2024	3,220	81.89	1,67,555

High of the daily high prices.

Low of the daily low prices

Arithmetic average of the closing prices of all trading days during the said period.

(Source: www.bseindia.com)

*The Company has allotted 17,20,000 Equity Shares of face value of ₹10/- each at an issue price of ₹35/- per Equity Share, for a total consideration of ₹6,02,00,000/- in accordance with the Companies Act, 2013 and SEBI ICDR Regulations. Pursuant to the allotment, the total number of Equity Shares of the Company have increased from 46,80,000 Equity Shares of face value of ₹10/- each to 64,00,000 Equity Shares of face value of ₹10/- each.

The total number of days of trading during the past six months was 122 trading days. The average volume of Equity Shares traded on the BSE was 10,677 Equity Shares per day.

The Board of our Company has approved the Issue at their meeting held on June 05, 2024 which was further approved by the shareholder in its Extra-ordinary General Meeting held on July 05, 2024. The high and low prices of our Equity Shares as quoted on the BSE on June 06, 2024 and July 08, 2024, the day on which the trading happened immediately following the date of the Board meeting and Extra Ordinary General Meeting respectively are as follows:

Date	Volume (No of equity Shares)	High Price (₹)	Low price (₹)
BSE			
June 06, 2024	4,554	226.25	226.25
July 08, 2024*	2,748	269.00	269.00

*Immediate following trading day of the Extra Ordinary General Meeting.

(Source: www.bseindia.com)

The closing market price of the Equity Shares as on one day prior[#] to the date of this Draft Letter of Offer was ₹386.30 on the BSE. The Issue Price is ₹ [●] per Rights Equity Share.

[#]As on September 18, 2024

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company may be subject to various legal proceedings from time to time, primarily arising in the ordinary course of business.

Except as disclosed below, there are no outstanding litigations with respect to the (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; and (iv) any pending matters including civil litigation and tax proceedings, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

*In relation to point (iv) above, our Board of Directors in its meeting held on July 30, 2024, has considered and amended a 'Policy for Determining Material Events and Information', framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**"). In terms of the Materiality Policy, any outstanding litigations, involving our Company, whose total monetary impact is equivalent to or exceeds the lower of the following:*

- a) 2% of turnover, as per the last audited financial statements of our Company;*
- b) 2% of net worth, as per the last audited financial statements of our Company, except in case the arithmetic value of the net worth is negative; and*
- c) 5% of the average of the absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company.*

Since the lowest value among the three above mentioned points is point (c), accordingly, all outstanding litigation (including civil and tax proceedings), involving our Company whose monetary impact is equivalent to or in excess of 5% of the average of absolute value of profit or loss after tax, as per the last three annual financial statements of our Company, which is determined to be ₹ 10.45 lakhs have been disclosed in this section.

Additionally, it is clarified that pre-litigation notices received by our Company from third parties (excluding those notices issued by statutory or regulatory or governmental authorities) shall not be evaluated for materiality until such time our Company is impleaded as a defendant in litigation proceedings before any judicial forum.

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer. All terms defined in a particular litigation disclosure below are for that particular 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. Material civil proceedings

Nil

B. Litigation filed by our Company.

1. Criminal proceedings

Nil

2. **Material civil proceedings**

Nil

II. Litigation involving our Directors

A. Litigation filed against our Directors

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material civil proceedings**

Nil

B. Litigation filed by our Directors

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

III. Litigation involving our Promoters

A. Litigation filed against our Promoters

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material civil proceedings**

Nil

B. Litigation filed by our Promoters

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

TAX DEMANDS AGAINST OUR COMPANY, DIRECTORS, PROMOTERS AND SUBSIDIARIES

			(₹ in Lakhs)*
Nature of demand	Number of demand(s)	Amount Involved	
Company			
Direct Tax	Nil	Nil	
Indirect tax	Nil	Nil	
Total	Nil	Nil	
Directors (excluding promoters)			
Direct Tax	Nil	Nil	
Indirect Tax	Nil	Nil	
Total	Nil	Nil	
Promoters			
Direct Tax	Nil	Nil	
Indirect Tax	Nil	Nil	
Total	Nil	Nil	
Subsidiaries			
Direct Tax	4	18.73	
Indirect Tax	Nil	Nil	
Total	4	18.73	

*To the extent quantifiable

Other than the tax demands mentioned in the table above, there are no tax proceedings against the Company, Directors of the Company, Promoters and Subsidiaries of the Company.

IV. 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.

Further, we confirm that there are no show cause or legal notices, or any legal or regulatory proceedings or investigations known to be initiated or contemplated against the Company.

V. Outstanding dues to creditors

As of March 31, 2024, our Company owes the following amounts to small scale undertakings and other creditors.

Details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), and other creditors, as of March 31, 2024, by our Company, are set out below and the disclosure of the financials is available on the website of our Company at www.acesoftex.com.

Type of Creditors	Number of Creditors	Amount
Outstanding dues to Small Scale Undertakings	Nil	Nil
Other dues to other Creditors	3	45.54
Total	3	45.54

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company is required to obtain consents, licenses, permissions and approvals from various governmental and regulatory authorities that are required for carrying on our present business operation. Some of the approvals and license that we require for our present business operation may expire in the ordinary course of business, in which case, we 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 54 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURE

Authority for the Issue

This Issue has been authorized through a resolution passed by our Board at its meeting held on June 05, 2024, and a special resolution by members at their extra ordinary general meeting held on July 05, 2024, to raise funds by issuance and allotment of equity shares for an aggregate amount of up to ₹5,000.00 Lakhs (Rupees Five Thousand Lakhs only), to all the eligible equity shareholders of the Company, as on the record date (to be notified later) on a rights basis (“**Rights Issue**”) on such terms as may be decided by the Board of Directors or the rights issue committee, subject to receipt of regulatory/statutory approvals and approval of shareholders, thereafter, the same was approved in Extra Ordinary General Meeting dated July 05, 2024, in accordance with the applicable laws including the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, SEBI Listing Regulations, and the Companies Act, 2013 and rules made thereunder, as amended from time to time.

Our Board/Rights Issue Committee, in its meeting held on [●] has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs. The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company in consultation with the Advisor to the Issue prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to letter dated [●]. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 127 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 Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers 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 Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with Part B-1 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 SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE; 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.

However, in terms of Clause (3) of Part B of Schedule VI of the SEBI ICDR Regulations, following issuers shall mandatorily make disclosures in the draft letter of offer/letter of offer as specified in Part B-1 of this Schedule:

- (a) an issuer whose management has undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable and is making a rights issue of specified securities for the first time subsequent to such change and a period of three full years has not elapsed since such a change;
- (b) an issuer whose specified securities have been listed consequent to the relaxation granted by the Board under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 for listing of its specified securities pursuant to a scheme sanctioned by a High Court under sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under sections 230-234 of the Companies Act, 2013, as applicable, and is making a rights issue of specified securities for the first time subsequent to such listing and a period of three full years has not elapsed since such listing.

Since the management of our Company has undergone change pursuant to the acquisition of joint control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, during the financial year 2024-25, the disclosures contained in the Draft Letter of Offer/Letter of Offer have been mandatorily made in terms of Part B-1 of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

The present issue, being less than ₹5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the Sebi ICDR Regulations and our Company shall file a copy of the Letter of Offer prepared in accordance with the Sebi (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI i.e. www.sebi.gov.in for informative purposes.

Disclaimer from our Company and our Directors

Our Company accepts no responsibility for statements made otherwise 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 anyone placing reliance on any other source of information would be doing so at his own risk.

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

Disclaimer Clause of BSE

As required, a copy of the Draft Letter of Offer has been submitted to BSE. The disclaimer clause, as intimated by BSE to us, post scrutiny of the Draft Letter of Offer will be inserted, prior to filing of the Letter of Offer with the Stock Exchange.

Designated Stock Exchange

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

Listing

Our Company will apply to BSE 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, 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, 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 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, 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, the Registrar, Lead Manager or any other person acting on behalf of us reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS 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, Chief Financial Officer, the Lead Manager, legal advisor, Bankers to the Company, 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 September 16, 2024 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 September 16, 2024 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated September 16, 2024 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 the Statement of Tax Benefits dated September 16, 2024 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 opinions.

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

The Company has not made any Right Issue in the previous years.

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

Our Company does not have any listed subsidiaries or associate companies as on the date of this Draft Letter of Offer. Further, there have been no such instances in the past.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on BSE. Our Equity Shares are traded on BSE. For details in connection with the stock market data of the Stock Exchange, please refer to the chapter titled "**Market Price Information**" beginning on page 114 of this Draft Letter of Offer.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION

OF THIS DRAFT LETTER OF OFFER 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. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DRAFT LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR 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 COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

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 ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 7, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are tracked online by our Company. In furtherance of the interests of investors, we are also registered with Online Dispute Resolution as required by the SEBI Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023.

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. Accurate Securities and Registry 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 21 days of the receipt of the complaint.

Investors may contact the Registrar 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), e mail 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, see "*Terms of the Issue*" beginning on page 127 of this Draft Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue:

Link Intime India Private Limited

Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, 400 083, Maharashtra
Telephone: +91 8108114949

Email: acesoftware.rights2024@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: acesoftware.rights2024@linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration No.: INR000004058

Validity of Registration: Permanent

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.

Ms. Mansi Patel, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

Telephone: 0281- 222 6097

E- mail: investorinfo@acesoftex.com

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders 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 the Draft Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in the Draft Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA.

OVERVIEW

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/ records confirming the legal and beneficial ownership of the securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the 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 and the terms and conditions as stipulated in the Allotment Advice.

Dispatch and availability of Issue Materials

In accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.acesoftex.com;
- (ii) the Lead Manager at www.vivro.net;
- (iii) the Registrar at www.linkintime.co.in;
- (iv) the Stock Exchange at www.bseindia.com; and

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar at www.linkintime.co.in by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.acesoftex.com.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible 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 or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

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 the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being 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 the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue, will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY

BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATIONS UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

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. No Application Form should 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 the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Issue Materials only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions ; (ii) does not include the relevant certifications set out in the Application Form, including that such person is submitting and/ or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements, including in the United States; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat escrow account, as applicable. For further details on the Rights Entitlements and demat escrow account, see "*Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 130.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

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 139 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.

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 Circulars, 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 escrow account (namely, "M/s. [●] - RIGHTS ISSUE ESCROW ENTITLEMENT DEMAT ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI 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; or (f) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (g) non-institutional equity shareholders in the United States.

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.

Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar at www.linkintime.co.in. 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 their 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) along with 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, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

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.

d) *Application for Additional Equity Shares:*

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.

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 154 of this Draft Letter of Offer.

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

Investors 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 Renounee 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 page 139 of this Draft Letter of Offer.

Renounees

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 Renounee(s) as well.

Authority for the Issue

This Issue has been authorized through a resolution passed by our Board at its meeting held on June 05, 2024 and a special resolution by members at their meeting held on July 05, 2024, under Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors has in their meeting held on [●] approved the Letter of Offer. The Board of Directors have in their meeting held on [●] determined the Issue Price at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), 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 approval from BSE 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 letter dated [●]. Our Company will also make application to BSE to obtain its trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars. The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

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. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. For details, please refer to the section entitled "**Terms of the Issue**" beginning on page 127 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 / in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue at www.linkintime.co.in 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: www.acesoftex.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 escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date in dematerialised form only. Further, if no Application is made by the Eligible Equity Shareholders or the Renouncee of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market or off-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 and apply for Equity Shares offered under Rights Issue, if they want to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

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.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share including a premium of ₹[●]/- (Rupees [●]Only) per Rights Share in the Issue.

The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●]% of the Issue Price, and the balance ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●]% of the Issue Price, will have to be paid, on First and Final Call.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

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.

Record date for Call and suspension of trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchange for the purpose of determining the list of holders of the Rights Equity Shares to whom the notice for the Call would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the Call has been made may be suspended prior to the Call Record Date.

Procedure for Call for Rights Equity Shares

Our Company would convene a meeting of our Board to pass the required resolutions for making the Call and suitable intimation would be given by our Company to the Stock Exchange. Further, advertisements for the same will be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Gujarati language daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is situated), all with wide circulation.

The Call shall be deemed to have been made at the time when the resolution authorizing such Call is passed at the meeting of our Board. The Call may be revoked or postponed at the discretion of our Board. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 15 days notice for the payment of the Call. The Board may, from time to time at its discretion, extend the time fixed for the payments of the Call. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Call, and if it does not receive the Call Money as per the timelines stipulated, the defaulting holders of the Rights Equity Shares will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Call made.

Payment of Call Money

In accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/238/2020 dated December 8, 2020 regarding additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in calls for partly paid specified securities issued by the listed entity, the Investor may make payment of the Call Monies using ASBA Mechanism through the Designated Branch of the SCSB or through online/electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call Monies, in the Investors ASBA Account. The Investor may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Monies.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company, once fully paid-up.

Terms of Payment

The Issue Price of ₹[●] per Rights Equity Share (including premium of ₹[●] per Rights Equity Share) shall be payable as follows:

Amount payable per rights equity share ⁽¹⁾	Face Value (₹)	Premium (₹)	Total (₹)
On Application	[●]	[●]	[●] ⁽²⁾
On one or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time #	[●]	[●]	[●] ⁽³⁾
Total	10.00	[●]	[●]

⁽¹⁾ For further details on Payment Schedule, see "Terms of the Issue" on page 127 of this Draft Letter of Offer.

⁽²⁾ Constitutes [●]% of the Issue Price

⁽³⁾ Constitutes [●]% of the Issue Price

#To be paid at such time as may be determined by the Board at its sole discretion.

Rights Equity Shares in respect of which the Call payable remains unpaid may be forfeited, at any time after the due date for payment of the balance amount due in accordance with the Companies Act, 2013 and our Articles of Association.

Where an Applicant has applied for additional Rights Equity Shares 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 within such period as prescribed under the SEBI ICDR Regulations. If there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

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, if any.

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 Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

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 1 (one) 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 Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange 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 Circulars, 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.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE849B01010 on BSE (Scrip Code: 531525). 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.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Our Company has received in-principle approval from BSE through a letter dated [●]. 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 finalization of the Basis of Allotment. Our Company will apply to BSE 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.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE. Upon receipt of such listing and trading approvals, 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 and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

Unless otherwise permitted by the SEBI ICDR Regulations, 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 prescribed under the SEBI ICDR Regulations. The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. If permissions to list, deal in and for an official quotation of the Rights Equity Shares is not granted by BSE, our Company shall within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, forthwith refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of fourth day, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law. For details of trading and listing of Rights Equity Shares, please refer to the heading "*Terms of Payment*" beginning on page 44 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 20 of this Draft Letter of Offer

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue 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/restricted 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. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act 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 holding Equity Shares in dematerialised form and 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 01, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not 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, through email and registered/speed post, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other Issue Material only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

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 and a Gujarati language daily newspaper (Gujarati being the regional language in the place where our Registered Office is located).

This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors:

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, as amended from time to time issued by the 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 Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, 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 by email on [●] or physically/postal means at the address of the Registrar Link Intime India Private Limited. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Lead Manager and the Stock Exchange. Our Board may at its absolute discretion agree to such terms and conditions as may be stipulated by the RBI while approving the

Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by RBI, OCBs have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

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.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat escrow account, as applicable. For further details on the Rights Entitlements and demat escrow account, see "*Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 130.

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 130 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

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.

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 151 of this Draft Letter of Offer. Our Company, the Lead Manager, 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 "*Applications on Plain Paper under ASBA process*" beginning on page 143 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each Eligible Equity Shareholders Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and other Issue Materials would also be available on the website of the Registrar to the Issue at www.linkintime.co.in and link of the same would also be available on the website of our Company at www.acesoftex.com. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholders will have the option to:

- i apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- v renounce its Rights Entitlements in full.

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 130 of this Draft Letter of Offer.

Procedure for Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have 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. 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 the Issue and clear demarcated funds should be available in such account for such an Application.

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 "*Applications on Plain Paper under ASBA process*" beginning on page 143 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 in the manner prescribed under the section titled "*Terms of the Issue*" beginning on page 127 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 154 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 Renounee 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 08, 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 03, 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. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renounee 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.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, 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, will not be able to renounce their Rights Entitlements

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI Rights Issue Circulars, 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.

Our Company and the Lead Manager accepts 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.

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.

A. On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange 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 Exchange under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlement. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange 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 under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

B. Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a Depository Participant. The Rights Entitlements can be transferred in dematerialised form only.

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their Depository Participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their Depository Participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

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 in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Lead Manager, the Stock Exchange to provide requisite details.

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.

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 Ace Software Exports 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 Rights Entitlements;
- Total amount paid at the time of application 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);
- 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, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is 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 hereby make representations, warranties and agreements set forth in "Restrictions of Foreign Ownership of Indian Securities" on page 164 of this Letter of Offer.

I/We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat 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 and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company, the Lead Manager 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 or a plain paper Application is [●], Issue Closing Date. Our Board or Rights Issue Committee 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 (inclusive of the Issue Opening Date).

If the Application together with the amount payable is either (i) not blocked with an SCSB; (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; or (iii) not uploaded with Stock Exchange, 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 154 of this Draft Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange. Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

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, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and 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, as amended from time to time 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 (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or 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 does not result in and may not be construed as, a public offering in 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 Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.
- In case of an Application Form received from the non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursement, if any shall be credited to such account.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, as applicable, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- 1) The Eligible Equity Shareholders shall send form ISR-1, SH-13 (which can be download from website i.e., www.linkintime.com) and ISR-2 (if signature does not match with RTA record) the Registrar either by email (with digital sign), post, speed post, courier, or hand delivery so as to reach to the Registrar no later than 2 (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 1 (One day before the Issue Closing Date);
- 3) The remaining procedure for Application shall be same as set out in "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" on page 143.
- 4) In accordance with the SEBI Rights Issue Circulars, 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 APPLICABLE, 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, AS APPLICABLE.

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 155 OF THIS DRAFT LETTER OF OFFER.

General instructions for Investors

- 1) Please read this Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- 2) 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.
- 3) Please read the instructions on the Application Form sent to you.
- 4) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- 5) Application should be made only through the ASBA facility.

- 6) 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 this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- 7) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Applications on Plain Paper under ASBA process*" beginning on page 143 of this Draft Letter of Offer.
- 8) 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.
- 9) 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.
- 10) 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.
- 11) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Manager.
- 12) 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.
- 13) 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.
- 14) 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.
- 15) 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.
- 16) 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.
- 17) All communication in connection with Application for the Rights Equity Shares, including any change in address, contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in address,

contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective Depository Participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.

- 18) 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.
- 19) 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.
- 20) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 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.
- 21) 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.

Additional general instructions for Investors in relation to making of an Application

- 1) 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.
- 2) 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 "**Applications on Plain Paper under ASBA process**" beginning on page 143 of this Draft Letter of Offer.
- 3) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, 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 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.**
- 4) 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.

- 5) 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.
- 6) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- 7) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- 8) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- 9) Do not pay the Application Money in cash, by money order, pay order or postal order.
- 10) Do not submit multiple Applications.
- 11) 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. Our Company will not be responsible for any allotments made by relying on such approvals.
- 12) 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 an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

- 1) Ensure that the Application Form and necessary details are filled in.
- 2) 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.
- 3) 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.
- 4) 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, the SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- 1) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- 2) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- 3) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- 4) Do not pay the Application Money in cash, by money order, pay order or postal order.
- 5) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- 1) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA

- 1) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- 2) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- 3) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- 4) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
- 5) 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:

- 1) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
- 2) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

- 3) 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.
- 4) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- 5) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- 6) Account holder not signing the Application or declaration mentioned therein.
- 7) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- 8) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- 9) 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).
- 10) 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.
- 11) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- 12) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- 13) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- 14) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- 15) 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.
- 16) 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.
- 17) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- 18) Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).
- 19) Applicants not having the requisite approvals to make application in the Issue.
- 20) **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.

- 21) Our Company, the Registrar, Lead Manager or any other person acting on behalf of us 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 authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.
- 22) 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.
- 23) 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.
- 24) 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 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.
- 25) 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 in respect of the same Rights Entitlement, 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 44 of this Draft Letter of Offer.

In cases where multiple Applications are submitted, including cases where an (a) Investor submits Application Forms along with a plain paper Application, or (b) multiple plain paper Applications, or (c) multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications that may be 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 20 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 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Issue schedule

Event	Indicative Date
Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation Rights [#]	[●]
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 Renounees on or prior to the Issue Closing Date.

*Our Board, or a Rights Issue 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 applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.acesoftex.com).

Basis of Allotment

Subject to the provisions contained in this Draft 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:

- 1) 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.
- 2) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (1) 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.
- 3) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their 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 (1) and (2) 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.
- 4) 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 (1), (2) and (3) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis in consultation with the Designated Stock Exchange, as part of the Issue and will not be a preferential allotment.
- 5) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding.
- 6) After taking into account Allotment to be made under (1) to (5) 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 Controlling Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- 1) 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;
- 2) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- 3) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

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 send/dispatch Allotment Advice, refund intimations/instructions, if applicable or demat credit of securities and/or letters of regret, by e-mail or registered post or speed post, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the finalization of basis of allotment. 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 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment Advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking 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/locked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed 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.

The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company 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. 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

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 FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

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 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the 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 CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form only. 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 between our Company, National Securities Depository Limited and the Registrar to the Company dated August 31, 2020.

(b) Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated July 13, 2020.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED 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.
- Shares are with IEPF authority/ in suspense, etc.). The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company 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 146 of this Draft Letter of Offer.

Procedure for Applications by certain categories of Investors

Investment by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI 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:

- 1) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- 2) 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 counts 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.

However, in compliance with the FEMA Rules, the aggregate ceiling of 10% has been raised to 24%, by a special resolution to that effect passed by members of the Company, at their meeting held on July 05, 2024.

Further, in accordance with Press Note 3 of 2020, the FDI Policy ("**Press Note**") 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) networth 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 05, 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.

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:

- (i) All monies received out of the Issue shall be transferred to a separate bank account;
- (ii) Details of all monies utilized out of the Issue referred to in clause (i) above 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;

- (iii) Details of all unutilized monies out of the Issue referred to in clause (i) above, 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
- (iv) 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:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) 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.
- (iii) The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) No further issue of securities 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. other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations .
- (vi) 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.
- (vii) Adequate arrangements shall be made to collect all ASBA Applications.
- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) As on date our Company does not have any convertible debt instruments.
- (x) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (xi) 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 enquiries to ascertain such facts.

Minimum Subscription

The objects of the Issue do not involve financing of capital expenditure. Further, Our Promoters and Promoter Group have undertaken that they shall subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoters or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

In terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription of 90% is not applicable to the 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 above this threshold, this Letter of Offer has been filed with BSE and with SEBI.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, 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 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.

Investor Grievances, Communication and Important Links

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of 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 23 of this Draft Letter of Offer.

All enquiries in connection with this Draft Letter of Offer, 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 "**Ace Software Exports Limited – Rights Issue**" on the envelope to the Registrar at the following address:

Link Intime India Private Limited

Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, 400 083, Maharashtra

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 of the Issue i.e. www.linkintime.co.in. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 8108114949.

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 to the Issue i.e. Link Intime India Private Limited: www.linkintime.co.in.

- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: www.linkintime.co.in ; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: acesoftware.rights2024@linkintime.co.in.

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).

RESTRICTIONS OF FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the 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 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.

The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on a rights basis. The above information is given for the benefit of the Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognised 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.

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.

However, in compliance with the FEMA Rules, the aggregate ceiling of 10% has been raised to 24%, by a special resolution to that effect passed by members of the Company, at their meeting held on July 05, 2024.

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 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, would be available on the website of the Company at www.acesoftex.com from the date of this Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

- Issue agreement dated September 19, 2024 between our Company and Lead Manager.
- Registrar Agreement dated July 31, 2024, entered into amongst our Company and the Registrar to the Issue.
- Banker to the Issue Agreement dated [●] entered amongst our Company, the Lead Manager, Registrar to the Issue and Banker to the Issue.
- Share Purchase Agreement dated July 30, 2024 between our Company and existing shareholders of Ace Infoway Private Limited.

2. Material Documents

- Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- Annual Reports of the Company for the past five years.
- Certificate of incorporation dated August 17, 1994, and certificate of commencement of business dated September 23, 1994.
- Resolution of the Board of Directors dated June 5, 2024 in relation to the Issue authorization.
- Resolution of the Members of the Company dated July 5, 2024 in relation to the Issue authorization.
- Resolution of the Rights Issue Committee dated September 19, 2024 approving and adopting this Draft Letter of Offer.
- Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.
- Resolution of our Rights Issue Committee / Board dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
- Shareholders' Agreement dated January 06, 2024 among our Company, Ace Infoway Private Limited and certain shareholders of our Company.
- Investment Agreement dated September 06, 2024 among QeCAD Studio LLP and existing partners of QeCAD Studio LLP i.e. Vikram Bhupat Sanghani, Sanjay Harilal Dhamsania, Rahul Jayantibhai Kalaria, Amit Mansukhlal Mehta, and the Company.
- Investment Agreement dated September 06, 2024 among QeNomy Digital LLP and existing partners of QeNomy Digital LLP i.e. Vikram Bhupat Sanghani, Sanjay Harilal Dhamsania, Rahul Jayantibhai Kalaria, Amit Mansukhlal Mehta, and the Company.
- Resolution of the Board of Directors dated July 30, 2024 approving additional investment in AQE Techtools Private Limited.
- Consents of our Promoters, Promoter Group, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Issue*, Legal Advisor, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer.
**To be obtained prior to filing of the Letter of Offer*
- Consent from the Statutory Auditor, J. A. Sheth & Associates to include its name as required under Section 26(1) of the Companies Act, 2013 in this Draft Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Restated Consolidated Financial Statements and the examination report dated July 30, 2024 issued thereon.
- Statement of Special Tax Benefits dated September 16, 2024 available to our Company and its shareholders under the applicable laws in India issued by our Statutory Auditor.
- Tripartite Agreement dated August 31, 2020 between our Company, NSDL and the Registrar to the Company.

- Tripartite Agreement dated July 13, 2020 between our Company, CDSL and the Registrar to the Company.
- In principle listing approval dated [●] issued by BSE.
- Valuation Report dated June 05, 2024 issued by Devang S. Thakar, Registered Valuer (SFA) (RV No. IBBI/RV/03/2022/14881) calculating the fair value of equity shares of AIPL.
- Valuation Report dated June 05, 2024 issued by Devang S. Thakar, Registered Valuer (SFA) (RV No. IBBI/RV/03/2022/14881) calculating the fair value of QeNomy.
- Valuation Report dated June 05, 2024 issued by Devang S. Thakar, Registered Valuer (SFA) (RV No. IBBI/RV/03/2022/14881) calculating the fair value of QeCAD.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Amit Mansukhlal Mehta
Managing Director & CEO

Date: September 19, 2024
Place: Ahmedabad, Gujarat.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Vikram Bhupat Sanghani

Whole Time Director

Date: September 19, 2024

Place: Mumbai, Maharashtra.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Sanjay Harilal Dhamsania

Whole Time Director

Date: September 19, 2024

Place: Rajkot, Gujarat.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Rahul Jayantilal Kalaria

Whole-time Director

Date: September 19, 2024

Place: U.S.A.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Divyesh Babulal Aghera

Non-Executive Independent Director

Date: September 19, 2024

Place: Rajkot, Gujarat.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Dharmesh Chandulal Dadhania

Non-Executive Independent Director

Date: September 19, 2024

Place: Rajkot, Gujarat.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Malini Mitesh Shah

Non-Executive Independent Director

Date: September 19, 2024

Place: Rajkot, Gujarat.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Dhara Sureshchandra Shah

Non-Executive Independent Director

Date: September 19, 2024

Place: Rajkot, Gujarat.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Sanjiv Pravinchandra Punjani

Non-Executive Independent Director

Date: September 19, 2024

Place: Rajkot, Gujarat.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-

Jyotin Bhadrakant Vasavada

Chief Financial Officer

Date: September 19, 2024

Place: Rajkot, Gujarat.